

CITY OF LAGRANGE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2020

Prepared by:

DEPARTMENT OF FINANCE

**CITY OF LAGRANGE, GEORGIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Year Ended June 30, 2020**

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LAGRANGE

GEORGIA

January 27, 2021

TO: Citizens of the City of LaGrange, Georgia
Honorable Mayor and Members of the City Council
City of LaGrange, Georgia

The comprehensive annual report of the City of LaGrange, Georgia (the City), for the fiscal year ended June 30, 2020 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

This is the eighteenth year the City of LaGrange is subject to the requirements of the Governmental Accounting Standards Board Statement 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (GASB 34). The GASB pronouncement requires management discussion and analysis of the statements, government-wide financial statements, budgetary comparison schedules, added infrastructure reporting requirements and changes to the statement of cash flows, to name a few. Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The City of LaGrange, incorporated in 1828, operates under the Council-Manager form of government. The City is organized under seven (7) departments: Community Development, Communications, Finance/Human Resources, Information and Technology, Public Safety, Public Services and Public Utilities. These departments operate under the direct supervision of the City Manager, who is appointed by the Mayor and Council, and provide a full range of services to an estimated 31,000 citizens. Included among these services are traditional city functions, such as police and fire protection, sanitation services (garbage and trash collection, landfill, and recycling center), street construction and maintenance, landscaping, cemeteries, building inspection, zoning enforcement and economic development, as well as electric, gas, water and sewer utilities and telecommunications services.

The Housing Authority of the City of LaGrange and the LaGrange Industrial Development Authority have not met the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report. The Solid Waste Management Authority of the City of LaGrange, City of LaGrange Gas Authority, and Downtown Development Authority are reported on a blended basis.

The Downtown LaGrange Development Authority and Visit LaGrange are legally separate entities for which the City is financially accountable, and therefore are included as component units. Both Authorities are presented as discretely presented component units under GASB-14 (as amended by GASB-61) because the Authorities are legally separate, the municipality appoints a voting majority of the Authorities and is able to impose its will on the Authorities, and the Authorities provide services and benefits which are not limited to the City.

CITY OF LAGRANGE
OFFICE OF THE CITY MANAGER

200 Ridley Avenue • LaGrange, Georgia 30240 • (706) 883-2010 • Fax (706) 883-2020
www.lagrangega.org

ECONOMIC CONDITION AND OUTLOOK

The City of LaGrange is located in the west central part of Georgia, approximately 70 miles southwest of the city of Atlanta with Interstate 85 and Interstate 185 adjacent on the east side of the city and West Point Lake adjacent on the west side. Hartsfield Atlanta International Airport is 45 minutes away via I-85 and Columbus is less than an hour away via I-185 south. CSX provides full-service rail facilities with east/west and north/south lines. Truck lines include interstate and intrastate carriers and local terminals. United Parcel Service, Federal Express, and several other national and local firms provide delivery services.

LaGrange is home to over 40 industries in three industrial parks. The 1,600-acre LaGrange Industrial Park and the 640-acre Jim Hamilton Industrial Parks are home to a dozen Fortune 500 companies. Callaway South Industrial Park is currently developing and is home to Sewon America and Badcock Distribution Center.

COVID-19

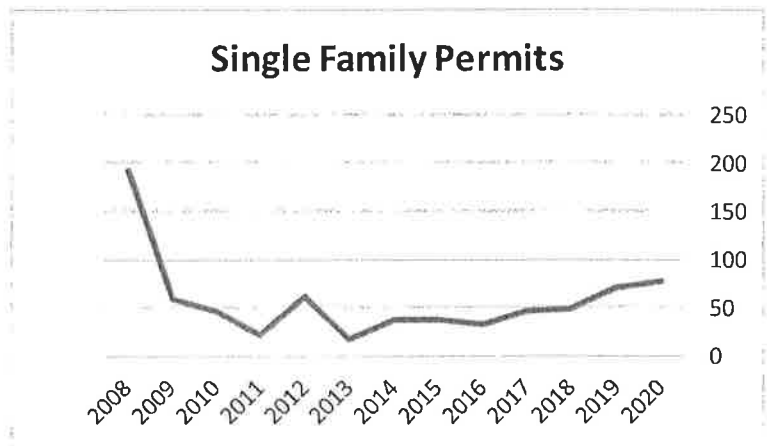
The pandemic has caused several economic challenges for the City of LaGrange – most notably the loss of revenue. Specific concerns focused on declining utility sales, loss of hotel/motel taxes, loss of revenue to pay Great Wolf Lodge (GWL) Conference Center Bonds, and the loss of revenue from AMC Theaters. CARES Act funding in the amount of \$1.5 million was secured in July/September 2020 to help offset some of these revenue losses.

Unemployment Rate

As is the case nationally, the unemployment rate is a measure of how well our local economy is doing. In 2009, the unemployment rate in LaGrange ranged from 2.8% in November to a peak of 16.2% in June. A gradual decline was seen from 2010 to 2019, with the rate ultimately hovering around 3.3%. COVID-19 had a tremendous impact on business and industry in 2020. The unemployment rate soared to a peak of 17.1% in April as many of our largest employers were forced to suspend operations during the lockdown. Fortunately, the rate slowly receded back to 5.9%, October of 2020.

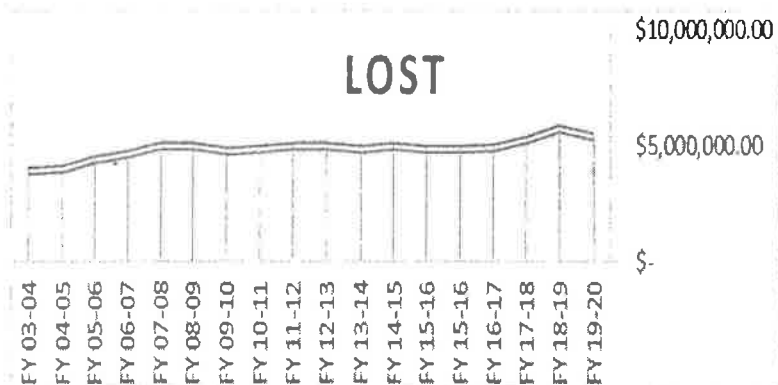
Real Estate

Real estate plays an integral role in our local economy. Residential real estate not only provides housing for families, but it's often their greatest source of wealth and savings. Data shows that LaGrange's single family housing market continues to slowly recover from the 2008 market crash. The total number of single family building permits issued to date in 2020 is 74, which is significantly below what we were experiencing before the recession. Over the past two years, we have had 3 multi-family developments (540 units) under construction and begin to open their doors.



Local Option Sales Tax

The City of LaGrange remains economically healthy. Local Option Sales Taxes over the past several years have seen a positive trend upward, with the exception of Fiscal Year 2020. A 7% decrease in sales tax receipts from Fiscal Year 2019 to Fiscal Year 2020 is shown on the graph.



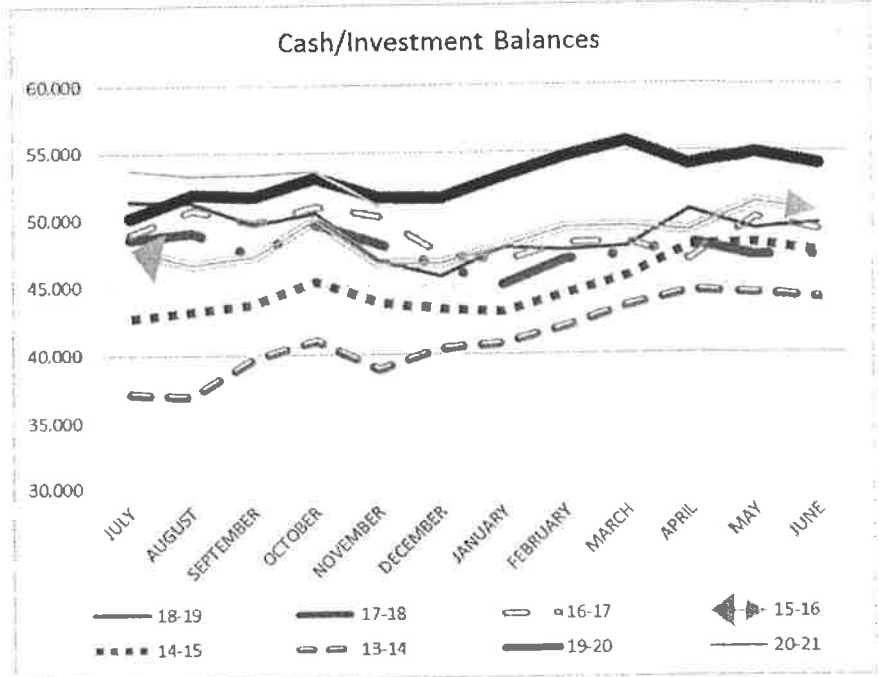
FINANCIAL INFORMATION

Cash Position

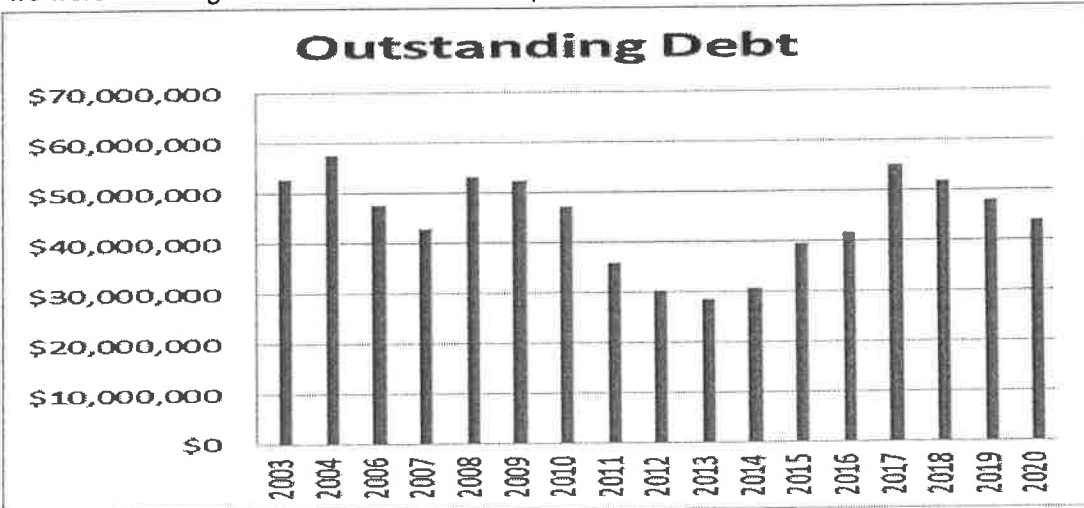
The City's operational and financial performance remains strong. The City's average cash/investment balance for Fiscal Year 2020 was \$53 million. MEAG trust funds increased the cash balances for a ten year period ending in Fiscal Year 2018. Deliberate decisions were made not to spend these funds and to manage the City with sustainable revenues and expenses on an annual basis. A cash reserve is one of the most important things that a long-standing, successful governmental entity should have. The reserve is in place should the city face difficult times, cover unforeseen emergencies or unexpected costs, or address a downturn in the economy. The reserve was also set aside for the purpose of electric rate stabilization should it become necessary with the costs associated with the new Vogtle Nuclear units coming online.

Debt

Steps have been taken over the past several years to control expenses and to position the City for financial soundness in the coming years. In Fiscal Year 2011 and 2012, as reflected in the chart, the City paid off significant amounts of Water and Sewer and Sanitation debt. Several revenue bonds were refinanced in Fiscal Years 2012 and 2014 to take advantage of lower interest rates. These steps allowed the City to use cash to avoid interest costs which were significantly higher than what we were receiving in interest on our bank deposits.



Outstanding Debt



Due to infrastructure needs in 2015 and 2016, the City secured financing through low interest loans from the Georgia Environmental Facilities Authority. Infrastructure improvements were made to the Long Cane wastewater treatment facility to replace effluent vertical turbine pumps and pump gas engines. The project completed construction in early 2016 and payments on the \$8,637,735 loan began

March 1, 2016. The City has also made additional investments in the sewer system with another GEFA loan to replace an existing pump station and install roughly 16,000 linear feet of 14" force main. This was a 5.6 million dollar project completed in October of 2015 with principal and interest payments commencing on November 1, 2015. Another strategic infrastructure investment was made to construct a new cell in the City's subtitle D landfill. Funds were secured through a loan GEFA in the amount of \$3 million. Loan payments commenced on November 1, 2015.

With the recruitment of Great Wolf Lodge to the community, the City financed the construction of a \$17 million conference center. A bond was issued in December of 2016 that will be paid back with the incremental hotel motel tax from the project. The bond was issued by the LaGrange Development Authority. The conference center will be leased to Great

Wolf Resort for 50 years and Great Wolf will operate the facility. Since the facility opened in May of 2018, the City portion of hotel/motel tax receipts have totaled \$3.1 million (City retains 56.25% of returns to pay principal and interest payments on bond).

Budgeting Controls

In addition, the City maintains budgetary controls, the purpose of which is to assure compliance with the legal provisions embodied in the annual appropriated budget approved by the City Council of LaGrange. Activities of the general fund and special revenue funds are included in the annual appropriated budget. Project length financial plans are adopted for the capital projects fund. The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is established at the departmental level.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management. The following schedule presents a summary of the total governmental funds' revenues for the fiscal year ended June 30, 2020 and the amount and percentage of increases and decreases in relation to the prior year's revenue. Total Revenues showed a decrease in revenue from 2019 to 2020. (5.6%) Revenues were down due to the COVID-19 pandemic which is largely attributed to loss of hotel/motel taxes, sales tax, and court/probation fees. General government expenses showed a minor reduction in expenses at (1.4%) due to a slowdown in capital projects or purchase of capital items.

Revenues	Amount	% of Total	Increase (Decrease) from 2019	Percent of Increase (Decrease)
Taxes, Licenses and Permits	\$ 13,709,187	60.5%	\$ (1,114,589)	(7.5%)
Intergovernmental	5,041,033	22.3%	(63,498)	(1.2%)
Charges for services	343,663	1.5%	48,981	16.6%
Grant and Subsidies	500,000	2.2%	500,000	N/A
Fines	803,272	3.6%	(234,328)	(22.6%)
Investment Income	86,107	0.4%	(18,310)	(17.5%)
Garage Charges	809,000	3.6%	(235,834)	(22.6%)
Lease Income	842,178	3.7%	(86,728)	(9.3%)
Miscellaneous	490,537	2.2%	(130,179)	(21.0%)
TOTAL	\$ 22,624,977	100.0%	\$ (1,334,485)	(5.6%)

Expenditures	Amount	% of Total	Increase (Decrease) From 2019	Percent of Increase (Decrease)
General Government	\$ 4,016,784	10.0%	\$ 254,139	6.8%
Public Safety	18,893,216	47.0%	1,126,294	6.3%
Public Services	2,955,747	7.3%	175,523	6.3%
Culture and Recreation	1,620,773	4.0%	153,759	10.0%
Community Development	3,267,663	8.1%	(628,987)	(16.1%)
Debt Service	2,396,558	6.0%	154,801	6.9%
Capital Outlay	7,083,458	17.6%	(1,791,584)	(20.2%)
TOTAL	\$ 40,234,199	100.0%	\$ (556,055)	(1.4%)

OTHER INFORMATION

Independent Audit

Georgia Law requires cities to be audited every two years by independent certified public accountants. The City chooses to have an annual audit and this year the Council selected the firm of AJK, LLC to perform the audit. The auditor's report on financial statements is included in the financial section of this report.

Awards

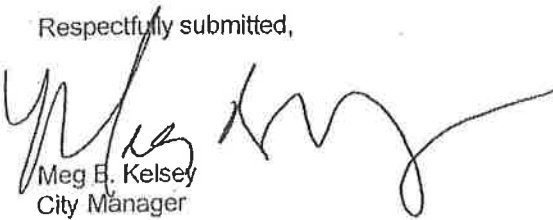
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of LaGrange for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the thirty third (33rd) year that the City has received this award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principals and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The timely preparation of this report was possible because of the hard work and dedication of the Finance Department, the cooperation of all City employees in following City policy in purchasing and accounting for revenues and expenditures and the invaluable assistance of AJK, LLC, the City's auditors. All of these individuals and organizations have our sincere appreciation for their contributions in the preparation of this report. We also wish to acknowledge the leadership and support of the Mayor and Council of the City of LaGrange.

Respectfully submitted,



Meg E. Kelsey
City Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of LaGrange
Georgia**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO

City of LaGrange, Georgia
LIST OF PRINCIPAL OFFICIALS

June 30, 2020

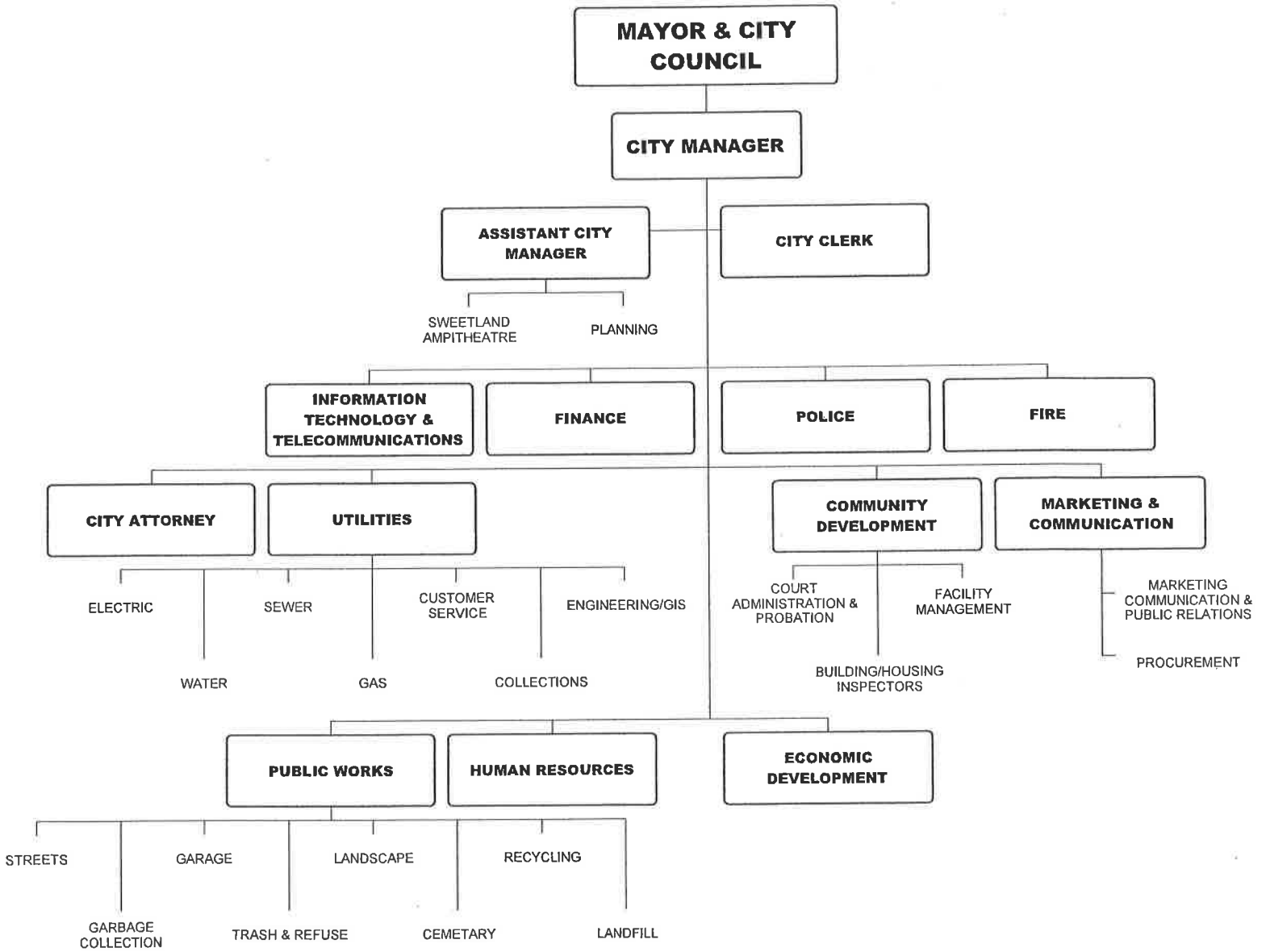
ELECTED OFFICIALS

Jim Thornton	Mayor
Willie Edmondson	Council Member
Tom Gore	Council Member
Jim Arrington	Council Member
Nathan Gaskin	Council Member
LeGree McCamey	Council Member
Mark Mitchell	Council Member

OTHER OFFICIALS

Meg Kelsey	City Manager
Bill Bulloch	Assistant City Manager
Jeff Todd	City Attorney
Alton West	Director of Community Development
Patrick Bowie	Director of Public Utilities
Louis M. Dekmar	Chief of Police
John Brant	Fire Chief
Alan Slaughenhaupt	Director of Information and Technology
Katie Van Schoor	Marketing and Communications Manager

CITY OF LAGRANGE, GEORGIA
 ORGANIZATIONAL CHART
 June 30, 2020



INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of City Council
City of LaGrange, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of LaGrange, Georgia, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of LaGrange, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of LaGrange, Georgia, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective

budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 and schedule of changes in net pension liability and related ratios, schedule of contributions, and schedule of changes in the total OPEB liability information on pages 50 through 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of LaGrange, Georgia's basic financial statements. The introductory section, combining, comparative, budgetary comparative schedules and individual fund financial statements and schedules, other supplemental information, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

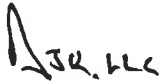
The combining, comparative, budgetary comparative schedules and individual fund financial statements and schedules, and other supplemental information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining, comparative, budgetary comparative schedules and individual fund financial statements and schedules, and other supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City of LaGrange, Georgia's basic financial statements for the year ended June 30, 2019, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of LaGrange, Georgia's basic financial statements as a whole. The individual fund financial statements related to the 2019 financial statements, for the year ended June 30, 2019 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2019 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2019 individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2021, on our consideration of the City of LaGrange, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of LaGrange, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of LaGrange, Georgia's internal control over financial reporting and compliance.



Manchester, Georgia
January 27, 2021

AJK

Management's Discussion and Analysis

As management of the City of LaGrange (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i–v of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of 2020 by \$175,129,341.
- The City's total net position decreased by \$707,394.
- As of the close of 2020, the City's governmental funds reported combined ending fund balances of \$(2,668,719), a decrease of \$3,877,004 from the prior year.
- At the end of 2020, the fund balance for the general fund was \$435,374 or 1.4 percent of general fund expenditures.
- Increase in net pension liability of \$4,594,092
- Increase in OPEB of \$188,279.
- Investment in Capital Assets for governmental and business-type activities amounted to \$177,185,472 (net of accumulated depreciation and related debt). An increase of 2.2% from FY 2019.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net positions may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected revenues and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and fines and forfeiture revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The government activities of the City include general government, public safety, public works, community services, and development services. The business-type activities of the City include water and sewer, solid waste, telecommunications, electric, and natural gas services; as well as the Downtown Development Authority (DDA) a community development venture that will generate revenue through ticket sales for hosting a variety of events in the City. See Note 19 for additional information concerning DDA.

The government-wide financial statements include not only the City of LaGrange itself (known as the primary government), but also two legally separate component units, the Downtown LaGrange Development Authority (DLDA) and Visit LaGrange for which the City of LaGrange is financially accountable. Financial information for the component units is reported separately from the financial information presented for the primary government itself.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental funds and government activities.

The City maintains three individual governmental fund types. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the SPLOST Fund which are the City's major governmental funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this fund. Budgetary comparison statements have been provided for the Special Revenue Funds in the supplementary financial information elsewhere in this report. Since the Capital Project Fund budget is adopted on a project basis, a supplementary budgetary comparison statement has not been provided.

Proprietary funds

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Utility operations, Water and Sewerage Fund, Solid Waste operations, and a community development venture (DDA). Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its Group Insurance, and Property and Casualty activities. These two services primarily benefit the City's general governmental operations and have been allocated to the governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund statements provide separate information for the Utility, Water and Sewerage, Solid Waste operations, and DDA. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$175,129,341 at the close of 2020.

A substantial portion of the City's net position (101 percent) reflects its investments in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these are not available for future spending. Although the City's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A summary of the statement of net position as of June 30, 2020 and June 30, 2019, are as follows:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets:						
Current and other assets	\$ 1,193,552	\$ 5,895,288	\$ 67,492,782	\$ 62,842,363	\$ 68,686,334	\$ 68,737,651
Capital assets	<u>77,537,484</u>	<u>74,514,466</u>	<u>122,687,549</u>	<u>124,299,421</u>	<u>200,225,033</u>	<u>198,813,887</u>
Total assets	<u>78,731,036</u>	<u>80,409,754</u>	<u>190,180,331</u>	<u>187,141,784</u>	<u>268,911,367</u>	<u>267,551,538</u>
Deferred Outflows of Resources:						
Pensions and OPEB:						
Difference between expected and actual experience	951,690	757,389	498,614	427,142	1,450,304	1,184,531
Changes of assumptions	1,828,763	344,392	958,135	194,225	2,786,898	538,617
Contributions after measurement date	<u>1,890,707</u>	<u>1,408,318</u>	<u>990,591</u>	<u>794,243</u>	<u>2,881,298</u>	<u>2,202,561</u>
Total deferred outflows of resources	<u>4,671,160</u>	<u>2,510,099</u>	<u>2,447,340</u>	<u>1,415,610</u>	<u>7,118,500</u>	<u>3,925,709</u>
Liabilities:						
Long-term liabilities	40,858,777	38,362,445	39,956,331	41,142,174	80,815,108	79,504,619
Other liabilities	<u>5,427,973</u>	<u>4,789,439</u>	<u>12,322,481</u>	<u>11,821,786</u>	<u>17,750,454</u>	<u>16,611,225</u>
Total liabilities	<u>46,286,750</u>	<u>43,151,884</u>	<u>52,278,812</u>	<u>52,963,960</u>	<u>98,565,562</u>	<u>96,115,844</u>
Deferred Inflows of Resources:						
Pensions and OPEB:						
Difference between projected and actual earnings on investments and expected and actual experience	270,909	1,567,269	141,937	883,888	412,846	2,451,157
Changes of assumptions	<u>1,261,294</u>	<u>697,481</u>	<u>660,824</u>	<u>393,355</u>	<u>1,922,118</u>	<u>1,090,836</u>
Total deferred inflows of resources	<u>1,532,203</u>	<u>2,264,750</u>	<u>802,761</u>	<u>1,277,243</u>	<u>2,334,964</u>	<u>3,541,993</u>
Net Position:						
Net invested in capital assets	75,206,491	71,977,857	101,978,981	101,324,627	177,185,472	173,302,484
Restricted	2,019,890	1,354,746	125,000		2,144,890	1,354,746
Unrestricted	<u>(41,643,138)</u>	<u>(35,829,384)</u>	<u>37,442,117</u>	<u>32,991,564</u>	<u>(4,201,021)</u>	<u>(2,837,820)</u>
Total net position	<u>\$35,583,243</u>	<u>\$ 37,503,219</u>	<u>\$139,546,098</u>	<u>\$134,316,191</u>	<u>\$175,129,341</u>	<u>\$ 171,819,410</u>

A portion of the City's net position (1.2%) represents resources that are subject to external restrictions on how they may be used. At the end of 2020, the City is able to report positive balances in net position or fund balances, both for the governmental as a whole, as well as for its business-type activities. The following funds reported a negative fund balance at June 30, 2020:

- Major funds: SPLOST Fund
- Non-major (other governmental funds): Capital Projects Fund and Tax Allocation Fund – Marriott.

Governmental activities

Governmental activities decreased the City's net position by \$1,919,976. Revenue shortfalls due to COVID were seen in court and probation fees, sales tax and hotel and motel tax, while expenses for governmental activities were up 8%. Below is a breakdown of revenues and expenses by governmental and business type activities for 2020 and 2019.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 3,547,701	\$ 4,214,626	\$ 84,955,804	\$ 95,191,085	\$ 88,503,505	\$ 99,405,711
Capital grants & Contributions	5,123,036	4,556,503	225,538		5,348,574	4,556,503
Operating grants & Contributions	418,466	910,388			418,466	910,388
General revenues:						
Other taxes	13,450,136	14,547,509			13,450,136	14,547,509
Other	85,638	100,637	1,466,586	2,405,522	1,552,224	2,506,159
Total revenues	<u>22,624,977</u>	<u>24,329,663</u>	<u>86,647,928</u>	<u>97,596,607</u>	<u>109,272,905</u>	<u>121,926,270</u>
Expenses:						
General government	4,573,835	4,006,623			4,573,835	4,006,623
Public safety	20,681,558	18,711,064			20,681,558	18,711,064
Public service	4,059,207	3,149,068			4,059,207	3,149,068
Culture and recreation	1,726,942	1,579,867			1,726,942	1,579,867
Community development	5,777,406	6,359,208	232,707		6,010,113	6,359,208
Interest on long-term debt	803,005	831,861			803,005	831,861
Utilities			69,206,676	75,375,845	69,206,676	75,375,845
Solid waste			2,918,963	8,097,230	2,918,963	8,097,230
Total expenses	<u>37,621,953</u>	<u>34,637,691</u>	<u>72,358,346</u>	<u>83,473,075</u>	<u>109,980,299</u>	<u>118,110,766</u>
Increase (decrease) in Net position before transfers	<u>(14,996,976)</u>	<u>(10,308,028)</u>	<u>14,289,582</u>	<u>14,123,532</u>	<u>(707,394)</u>	<u>3,815,504</u>
Transfers	<u>13,077,000</u>	<u>13,842,000</u>	<u>(13,077,000)</u>	<u>(13,842,000)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>(1,919,976)</u>	<u>3,533,972</u>	<u>1,212,582</u>	<u>281,532</u>	<u>(707,394)</u>	<u>3,815,504</u>
Net position-beginning of year,	<u>37,503,219</u>	<u>33,969,247</u>	<u>138,333,516</u>	<u>134,034,659</u>	<u>175,836,735</u>	<u>168,003,906</u>
Net position-end of year	<u>\$ 35,583,243</u>	<u>\$ 37,503,219</u>	<u>\$139,546,098</u>	<u>\$134,316,191</u>	<u>\$175,129,341</u>	<u>\$171,819,410</u>

Business-type activities

Business-type activities increased the City's net position by \$1,212,582. Total business-type revenues decreased by \$10,948,679 (13%) due to decreases in utility commodity prices and closure of Commercial Sanitation, while expenses decreased by \$11,114,729 (15%) due to closure of the Commercial Sanitation division.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the City. At the end of 2020, unassigned fund balance of the General Fund was \$(1,021,517) while total fund balances reached \$435,374. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents -3.3 percent of the total General Fund expenditures, while total fund balance represents 1.4 percent of that same amount. Transfers in from other funds to supplement the General Fund were \$2,634,226 from non-major governmental funds and \$13,100,000 from proprietary funds for a total of \$15,734,226, representing 52.2 percent of total fund expenditures. The City of LaGrange does not levy a property tax and uses the enterprise funds to help fund general governmental services.

The fund balance of the General Fund decreased at the end of June 2020. A decrease of \$2,784,287 in fund balance occurred over the course of Fiscal Year 2020. A decrease in revenue and other financing sources (9.2%) and increases in expenses and other financing sources 1.1% and a lower contribution from enterprise funds, contributes to decrease in fund balance for 2020. COVID-19 had a negative impact on sales tax, hotel/motel tax, court and probation fines. Continued growth in public safety and public service departments lead to small increase in expense.

Other non-major governmental funds have a total fund balance of (\$1,738,361). The City showed a net increase of \$56,956 in the fund balance during the current year for non-major governmental funds. The majority of this increase is attributable to the Capital Projects Fund which ended the fiscal year with a total increase in fund balance of \$74,960 and a negative fund balance of \$132,260, as noted earlier.

Proprietary funds

The City's proprietary funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

As you will find in Note 19, the Downtown Development Authority (DDA) was reclassified to Business-Type Activities for 2020.

Unrestricted net position of the Utility Fund at the end of 2020 amounted to \$29,980,706, Water and Sewerage Fund reported \$13,256,180, Solid Waste Fund reported (\$5,801,920), and DDA reported \$7,151. The total change in net position for each fund was \$2,200,801, (\$858,406), (\$461,324), and \$331,511, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

There were no differences between the original budget and the final budget for revenues. However, a small budget amendment was made to Community Development. During the year, however, revenues were less than budgetary estimates and expenditures were more than budgetary estimates. Contributors to loss in revenues centered around a decline in sales tax, fines and forfeitures, intergovernmental, and miscellaneous fees. Total negative variance of revenues was (3%). COVID-19 had a major impact on revenue losses. Expenses for 2020 were over budget by roughly 14%. Major contributors to the expense over runs were Police, Debt Service, Animal Control, Streets and Capital Outlay.

Capital Asset and Debt Administration

Capital assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2020, amounts to \$177,185,472 (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings, improvements, vehicles and equipment, park facilities, storm sewers, bridges, streets, gas lines, electric lines, and water and sewer lines.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 13,601,122	\$ 13,601,122	\$ 3,560,561	\$ 3,510,561	\$ 17,161,683	\$ 17,111,683
Building	25,235,091	22,289,346	30,831,330	26,833,595	56,066,421	49,122,941
Machinery & equipment	13,959,624	13,871,607	20,685,837	20,458,784	34,645,461	34,330,391
Vehicles	5,241,239	5,286,288	1,645,646	1,656,325	6,886,885	6,942,613
Transmission & distribution			198,469,761	197,373,381	198,469,761	197,373,381
Other	61,950,991	56,724,793			61,950,991	56,724,793
Construction in progress	1,413,979	3,217,264	859,927	911,028	2,273,906	4,128,292
Total	121,402,046	114,990,420	256,053,062	250,743,674	377,455,108	365,734,094
Less, accumulated depreciation	(43,864,562)	(40,475,954)	(133,370,513)	(126,444,253)	(177,235,075)	(166,920,207)
Total net of accumulated depreciation	\$ 77,537,484	\$ 74,514,466	\$ 122,682,549	\$ 124,299,421	\$ 200,220,033	\$ 198,813,887

More detailed information can be found in the Notes to the Financial Statements, Note 4.

Long-term debt

At the end of 2020, the City had total bonded debt outstanding of \$3,950,000. Of this amount, none is backed by the full faith and credit of the City. All of the City's debt represents bonds secured solely by specific revenue sources (i.e., revenue bonds).

The City maintains a general obligation credit rating of Aa3 from Moody's and AA- from Standard & Poor's.

State statutes limit the amount of general obligation debt a government entity may issue to 10 percent of its total assessed value of taxable property located within the municipality. The current debt limitation for the City is \$119,164,061 which is significantly in excess of the City's outstanding general obligation bonds, which is zero.

More detailed information can be found in the Notes to the Financial Statements, Note 5 and 6.

Requests for information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to:

Meg B. Kelsey
 City Manager
 200 Ridley Avenue
 LaGrange, Georgia 30240

NOTICE

Certain pages of this report have been left blank intentionally.
These pages are identified as shown on this page.



LAGRANGE
GEORGIA

BASIC FINANCIAL STATEMENTS

CITY OF LAGRANGE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2020

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Downtown LaGrange Development Authority	Visit LaGrange
<u>ASSETS</u>					
Cash and cash equivalents	\$ 1,999,342	\$ 14,410,191	\$ 16,409,533	\$ 382,370	\$ 659,466
Investments	1,381,780	34,140,297	35,522,077		
Receivables (net of allowance):					
Taxes	1,331,397		1,331,397	815	
Accounts		9,787,585	9,787,585		
Intergovernmental	759,948		759,948		88,998
Other	59,967		59,967	40,675	
Internal balances	(5,939,844)	5,939,844	-		
Inventory	165,344	3,010,104	3,175,448	2,662	
Prepaid expenses	144,070	79,761	223,831		
Restricted cash	421,235	125,000	546,235	359,790	
Restricted investments	870,313		870,313		
Notes receivable			-	235,527	
Capital lease			-	422,998	
Capital assets:					
Land and construction in progress	15,015,101	4,420,488	19,435,589	1,621,710	
Other capital assets, net of accumulated depreciation	62,522,383	118,262,061	180,784,444	15,079,357	1,783
Other assets		5,000	5,000		
Total assets	78,731,036	190,180,331	268,911,367	18,145,904	750,247
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Pension:					
Difference between expected and actual experience	591,236	309,764	901,000		
Changes of assumptions	1,828,763	958,135	2,786,898		
Contributions after measurement date	1,161,170	608,369	1,769,539		
Other post-employment benefits:					
Difference between expected and actual experience	360,454	188,850	549,304		
Contributions after measurement date	729,537	382,222	1,111,759		
Total deferred outflows of resources	4,671,160	2,447,340	7,118,500	-	-

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2020
(Continued)

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Downtown LaGrange Development Authority	Visit LaGrange
<u>LIABILITIES</u>					
Accounts and claims payable	2,534,623	3,890,842	6,425,465	45,269	30,925
Accrued liabilities	230,735	168,196	398,931	22,017	
Accrued interest	223,761	46,216	269,977		
Customer deposits		3,157,308	3,157,308		
Unearned revenue	647,177	2,386,306	3,033,483	72,817	
Long-term debt:					
Due within one year	743,746	2,162,659	2,906,405	138,449	
Due in more than one year	1,587,247	18,540,909	20,128,156	2,588,076	
Other long-term obligations:					
Due within one year	1,047,931	510,954	1,558,885		
Due in more than one year	18,856,897	10,719,673	29,576,570		
Noncurrent liabilities due in more than one year:					
Net OPEB liability	9,510,428	4,982,757	14,493,185		
Net pension liability	10,904,205	5,712,992	16,617,197		
Total liabilities	46,286,750	52,278,812	98,565,562	2,866,628	30,925
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Pension:					
Difference between expected and actual experience	8,961	4,697	13,658		
Net difference between projected and actual earnings on investments	148,651	77,881	226,532		
Other post-employment benefits:					
Difference between expected and actual experience	113,297	59,359	172,656		
Changes of assumptions	1,261,294	660,824	1,922,118		
Total deferred inflows of resources	1,532,203	802,761	2,334,964	-	-
<u>NET POSITION</u>					
Net investment in capital assets	75,206,491	101,978,981	177,185,472	16,701,067	1,783
Restricted for:					
Perpetual care	874,680		874,680		
Public safety	85,288		85,288		
Community development	821,925	125,000	946,925		
Debt service	237,997		237,997		
124 Main Street				400,000	
Unrestricted	(41,643,138)	37,442,117	(4,201,021)	(1,821,791)	717,539
Total net position	\$ 35,583,243	\$ 139,546,098	\$ 175,129,341	\$ 15,279,276	\$ 719,322

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units		
	Expenses	Charges for Services, Fees, Fines, and Forfeitures	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Downtown LaGrange Development Authority	Visit LaGrange
					Governmental Activities	Business-type Activities	Total		
Primary government:									
Governmental activities:									
General government	\$ 3,859,865	\$ 1,280,442	\$ 40,000	\$ (2,579,423)	\$ (2,579,423)	\$ (2,579,423)			
Public safety	20,681,558	1,225,329	81,358	(19,416,229)	(19,416,229)	(19,416,229)			
Public service	4,059,207			1,145,187	1,145,187	1,145,187			
Culture and recreation	1,726,942	48,545		(1,678,397)	(1,678,397)	(1,678,397)			
Community development	5,777,406	993,385	297,108	(4,486,913)	(4,486,913)	(4,486,913)			
Redevelopment and housing	206,000			(206,000)	(206,000)	(206,000)			
Telecommunications	507,970			(507,970)	(507,970)	(507,970)			
Interest on long-term debt	803,005			(803,005)	(803,005)	(803,005)			
Total governmental activities	37,621,953	3,547,701	418,466	(28,532,750)	\$ (28,532,750)	\$ (28,532,750)			
Business-type activities:									
Water and sewer	13,729,797	17,826,037		4,096,240	4,096,240	4,096,240			
Gas system	9,025,876	12,660,263		3,634,387	3,634,387	3,634,387			
Electric system	42,879,125	48,052,304		5,173,179	5,173,179	5,173,179			
Sanitation	2,918,963	2,657,310		(261,653)	(261,653)	(261,653)			
Telecommunications	3,571,878	3,421,210		(150,668)	(150,668)	(150,668)			
Community development	232,707	338,680		331,511	331,511	331,511			
Total business-type activities	72,358,346	84,955,804	-	12,822,996	12,822,996	12,822,996			
Total primary government	\$ 109,980,299	\$ 88,503,505	\$ 418,466	(28,532,750)	12,822,996	(15,709,754)			
Component units:									
Downtown LaGrange Development Authority	\$ 2,762,666	\$ 1,291,566	\$ 391,201				\$ (1,079,899)	\$ 717,845	
Visit LaGrange	837,258		1,555,103				(1,079,899)	717,845	
Total component units	\$ 3,599,924	\$ 1,291,566	\$ 1,946,304	\$ -	\$ -	\$ -	\$ -	\$ 1,477	
General revenues:									
Taxes:									
Franchise tax				1,144,431	1,144,431	1,144,431			
Insurance premium tax				2,236,482	2,236,482	2,236,482			
Alcoholic beverage tax				720,255	720,255	720,255			
Sales tax				5,349,061	5,349,061	5,349,061			
Ad valorem				574,374	574,374	574,374			
Other				3,425,533	3,425,533	3,425,533			
Investment earnings				85,638	85,638	85,638			
Gain on sale of capital assets							112,170	1,477	
Miscellaneous							27,725		
Transfers							29,063		
Total general revenues and transfers				13,077,000	(13,077,000)	-			
Change in net position				26,612,774	(11,610,414)	15,002,360	168,958	1,477	
Net position at beginning of year				(1,919,976)	1,212,582	(707,394)	(910,941)	719,322	
Net position at end of year				37,503,219	138,333,516	175,836,735	16,190,217		
				\$ 35,583,243	\$ 139,546,098	\$ 175,129,341	\$ 15,279,276	\$ 719,322	

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

	Major Governmental Funds		Non-Major Governmental Funds	Total Governmental Funds
	General Fund	SPLOST Fund	Other Governmental Funds	
<u>ASSETS</u>				
Cash and cash equivalents	\$ 407,154	\$ 509,073	\$ 181,508	\$ 1,097,735
Investments	6,410		727,475	733,885
Receivables (net of allowance):				
Taxes	1,331,397			1,331,397
Intergovernmental		759,948		759,948
Other	9,551			9,551
Inventory	165,344			165,344
Restricted cash and cash equivalents	421,235			421,235
Restricted investments	870,313			870,313
	<u>\$ 3,211,404</u>	<u>\$ 1,269,021</u>	<u>\$ 908,983</u>	<u>\$ 5,389,408</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 536,118	\$ 246,753	\$ 270	\$ 783,141
Due to other funds	1,362,000	2,388,000	300,020	4,050,020
Advances to other funds			2,347,054	2,347,054
Accrued liabilities	230,735			230,735
Unearned revenue	647,177			647,177
Total liabilities	<u>2,776,030</u>	<u>2,634,753</u>	<u>2,647,344</u>	<u>8,058,127</u>
Fund Balances:				
Non-spendable:				
Inventory	165,344			165,344
Restricted for:				
Perpetual care	874,680			874,680
Public safety	85,288			85,288
Community development	81,042		740,883	821,925
Debt service	237,997			237,997
Assigned for:				
Public safety	12,540			12,540
Unassigned	(1,021,517)	(1,365,732)	(2,479,244)	(4,866,493)
Total fund balances	<u>435,374</u>	<u>(1,365,732)</u>	<u>(1,738,361)</u>	<u>(2,668,719)</u>
	<u>\$ 3,211,404</u>	<u>\$ 1,269,021</u>	<u>\$ 908,983</u>	<u>\$ 5,389,408</u>

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET FOR GOVERNMENTAL FUNDS
TO NET POSITION OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION
June 30, 2020

Total fund balance - all governmental funds \$ (2,668,719)

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 77,537,484

The deferred outflows below are not current assets or financial resources and the deferred inflows are not due and payable in the current period and therefore are not reported in the governmental funds. Balances at June 30, 2020 are:

Deferred outflows		4,671,160
Deferred inflows		(1,532,203)

Long-term debt and other long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Balances at June 30, 2020 are:

Accrued interest payable	\$ (223,761)		
Capital leases	(2,330,993)		
Compensated absences	(657,328)		
Intergovernmental agreements	(19,247,500)		
Net OPEB liability	(9,510,428)		
Net pension liability	<u>(10,904,205)</u>		(42,874,215)

Internal service funds are used by management to charge costs of certain activities, such as insurance, to certain funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position. 449,736

Net position of governmental activities \$ 35,583,243

CITY OF LAGRANGE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2020

	Major Governmental Funds		Non-Major Governmental Funds	Total Governmental Funds
	General Fund	SPLOST Fund	Other Governmental Funds	
Revenues:				
Taxes:				
Sales	\$ 5,349,061			\$ 5,349,061
Franchise	1,144,431			1,144,431
Insurance premium	2,236,482			2,236,482
Alcoholic beverage	720,255			720,255
Ad valorem	574,374			574,374
Other	791,308		\$ 2,634,225	3,425,533
Licenses and permits	259,051			259,051
Intergovernmental	271,653	\$ 4,622,567	146,813	5,041,033
Grants and subsidies		500,000		500,000
Fines and forfeitures	803,272			803,272
Garage charges	809,000			809,000
Charges for services	343,663			343,663
Investment income	45,278	469	40,360	86,107
Rental income			842,178	842,178
Miscellaneous	88,591		401,946	490,537
Total revenues	13,436,419	5,123,036	4,065,522	22,624,977
Expenditures:				
Current:				
General government	3,333,594			3,333,594
Public safety	18,893,216			18,893,216
Public service	2,955,747			2,955,747
Culture and recreation	1,620,773			1,620,773
Community development	1,555,926		1,711,737	3,267,663
Redevelopment and housing			206,000	206,000
Telecommunications	477,190			477,190
Debt service:				
Principal retirements	590,555		997,644	1,588,199
Interest and fees	2,434		805,925	808,359
Capital outlay:				
General government	54,688			54,688
Public safety	173,447	2,632,813		2,806,260
Public service	226,957	938,768		1,165,725
Culture and recreation	239,190			239,190
Community development		2,701,128	116,467	2,817,595
Total expenditures	30,123,717	6,272,709	3,837,773	40,234,199
Excess of revenues over (under) expenditures	(16,687,298)	(1,149,673)	227,749	(17,609,222)
Other financing sources (uses):				
Sale of capital assets	30,135			30,135
Capital lease	625,083			625,083
Transfers in	15,734,226		2,651,433	18,385,659
Transfers out	(2,486,433)		(2,822,226)	(5,308,659)
Total other financing sources (uses)	13,903,011	-	(170,793)	13,732,218
Net change in fund balances	(2,784,287)	(1,149,673)	56,956	(3,877,004)
Fund balance, beginning of year	3,219,661	(216,059)	(1,795,317)	1,208,285
Fund balance, end of year	\$ 435,374	\$ (1,365,732)	\$ (1,738,361)	\$ (2,668,719)

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 Year Ended June 30, 2020

Net change in fund balances - All governmental funds \$ (3,877,004)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	6,733,222
Depreciation	(3,672,900)

The net effect of various transactions involving capital assets (i.e., sales, trade-ins, donations) is to decrease net position. (37,304)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This amount consists of the change in the following balances:

Compensated absences	(37,321)
Accrued interest payable	5,354
Net OPEB liability	(68,449)
Pension expense	(618,446)

Capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term debt in the statement of net position. Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net position:

Principal retirements	1,588,199
Proceeds from capital leases	(625,083)

Internal service funds are used by management to charge costs of certain activities, such as insurance to certain funds. The net revenue (expenses) of certain internal service funds is reported with governmental activities. (1,310,244)

Change in net position of governmental activities \$ (1,919,976)

CITY OF LAGRANGE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes:				
Sales	\$ 5,670,000	\$ 5,670,000	\$ 5,349,061	\$ (320,939)
Franchise	1,110,000	1,110,000	1,144,431	34,431
Insurance premium	2,150,000	2,150,000	2,236,482	86,482
Alcoholic beverage	719,000	719,000	720,255	1,255
Ad valorem	350,000	350,000	574,374	224,374
Other	805,000	805,000	791,308	(13,692)
Licenses and permits	217,000	217,000	259,051	42,051
Intergovernmental	513,000	513,000	271,653	(241,347)
Fines and forfeitures	1,028,800	1,028,800	803,272	(225,528)
Garage charges	800,000	800,000	809,000	9,000
Charges for services	292,700	292,700	343,663	50,963
Investment income	15,000	15,000	45,278	30,278
Miscellaneous	200,500	200,500	88,591	(111,909)
Total revenues	<u>13,871,000</u>	<u>13,871,000</u>	<u>13,436,419</u>	<u>(434,581)</u>
Expenditures:				
Current:				
General government:				
Administrative	1,547,219	1,547,219	1,758,256	(211,037)
Finance	498,039	498,039	480,409	17,630
Garage	887,589	887,589	868,779	18,810
Risk management	38,000	38,000	38,000	-
City hall	199,765	199,765	188,150	11,615
Total general government	<u>3,170,612</u>	<u>3,170,612</u>	<u>3,333,594</u>	<u>(162,982)</u>
Public safety:				
Court administration	443,851	443,851	396,949	46,902
Probation	326,215	326,215	315,068	11,147
Police	10,551,509	10,551,509	10,898,410	(346,901)
Community service	95,876	95,876	89,872	6,004
Traffic control	1,008,459	1,008,459	964,896	43,563
Fire services	5,686,955	5,686,955	5,705,801	(18,846)
Animal control	397,475	397,475	522,220	(124,745)
Total public safety	<u>18,510,340</u>	<u>18,510,340</u>	<u>18,893,216</u>	<u>(382,876)</u>
Public service:				
Engineering and supervision	247,120	247,120	223,394	23,726
Streets	1,301,240	1,301,240	1,606,761	(305,521)
Street cleaning	115,518	115,518	99,262	16,256
Trash and refuse	668,131	668,131	733,407	(65,276)
Recycling center	198,227	198,227	199,576	(1,349)
Curbside recycling	133,517	133,517	93,347	40,170
Total public service	<u>2,663,753</u>	<u>2,663,753</u>	<u>2,955,747</u>	<u>(291,994)</u>

(Continued...)

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2020
(Continued)

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amount	Variance with Final Budget Positive (Negative)
Culture and recreation:				
Landscaping and cemetery maintenance	1,469,077	1,469,077	1,620,773	(151,696)
Community development:				
Community development	777,668	843,168	785,203	57,965
DAL marketing	87,389	87,389	96,310	(8,921)
Other community support	436,733	436,733	674,413	(237,680)
Total community development	1,301,790	1,367,290	1,555,926	(188,636)
Telecommunications:				
Administration	278,935	278,935	281,096	(2,161)
LGTV	198,670	198,670	196,094	2,576
Total telecommunications	477,605	477,605	477,190	415
Debt service:				
Principal retirement	369,450	369,450	590,555	(221,105)
Interest and fees	27,870	27,870	2,434	25,436
Total debt service	397,320	397,320	592,989	(195,669)
Capital outlay:				
General government	40,500	40,500	54,688	(14,188)
Public safety	220,000	220,000	173,447	46,553
Public service	60,000	60,000	226,957	(166,957)
Telecommunications	10,000	10,000		10,000
Culture and recreation	60,000	60,000	239,190	(179,190)
Total capital outlay	390,500	390,500	694,282	(303,782)
Total expenditures	28,380,997	28,446,497	30,123,717	(1,677,220)
Excess (deficiency) of revenues over (under) expenditures	(14,509,997)	(14,575,497)	(16,687,298)	(2,111,801)
Other financing sources (uses):				
Transfers in	16,500,000	16,500,000	15,734,226	(765,774)
Transfers out	(2,673,531)	(2,673,531)	(2,486,433)	187,098
Sale of capital assets	5,000	5,000	30,135	25,135
Capital leases			625,083	625,083
Total other financing sources (uses)	13,831,469	13,831,469	13,903,011	71,542
Net change in fund balances	(678,528)	(744,028)	(2,784,287)	(2,040,259)
Fund balance, beginning of year	3,219,661	3,219,661	3,219,661	-
Fund balance, end of year	\$ 2,541,133	\$ 2,475,633	\$ 435,374	\$ (2,040,259)

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020

	Business-Type Activities					Internal Service Funds	
	Major Enterprise Funds			Non-Major Enterprise Fund	Total		Governmental Activities
	Utility Fund	Water & Sewerage Fund	Sanitation Fund	Downtown Development Authority			
<u>ASSETS</u>							
Current assets:							
Cash and cash equivalents	\$ 9,224,144	\$ 3,206,209	\$ 1,943,966	\$ 35,872	\$ 14,410,191	\$ 901,607	
Investments	22,345,252	11,795,045			34,140,297	647,895	
Receivables:							
Accounts	7,810,028	1,884,721	92,836		9,787,585		
Other					-	50,416	
Due from other funds	2,122,000	460,000	1,638,000		4,220,000	250,020	
Prepays	54,761			25,000	79,761	144,070	
Inventory	1,531,513	1,478,591			3,010,104		
Restricted cash and cash equivalents				125,000	125,000		
Total current assets	<u>43,087,698</u>	<u>18,824,566</u>	<u>3,674,802</u>	<u>185,872</u>	<u>65,772,938</u>	<u>1,994,008</u>	
Noncurrent assets:							
Deposits				5,000	5,000		
Capital assets, not being depreciated	1,574,303	1,233,946	1,437,733	174,506	4,420,488		
Capital assets, being depreciated	32,372,037	64,298,968	17,548,877	4,042,179	118,262,061		
Advances to other funds	2,347,054				2,347,054	617,210	
Total noncurrent assets	<u>36,293,394</u>	<u>65,532,914</u>	<u>18,986,610</u>	<u>4,221,685</u>	<u>125,034,603</u>	<u>617,210</u>	
Total assets	<u>79,381,092</u>	<u>84,357,480</u>	<u>22,661,412</u>	<u>4,407,557</u>	<u>190,807,541</u>	<u>2,611,218</u>	
<u>DEFERRED OUTFLOWS OF RESOURCES</u>							
Pensions:							
Difference between expected and actual experience	171,190	115,959	22,615		309,764		
Change of assumptions	529,511	358,673	69,951		958,135		
Contributions after measurement date	336,215	227,739	44,415		608,369		
Other post-employment benefits:							
Difference between expected and actual experience	104,367	70,695	13,788		188,850		
Contributions after measurement date	211,234	143,083	27,905		382,222		
Total deferred outflows of resources	<u>1,352,517</u>	<u>916,149</u>	<u>178,674</u>		<u>2,447,340</u>	-	

(Continued...)

CITY OF LAGRANGE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020
(Continued)

	Business-Type Activities					Internal Service Funds	
	Major Enterprise Funds			Non-Major Enterprise Fund	Total		Governmental Activities
	Utility Fund	Water & Sewerage Fund	Sanitation Fund	Downtown Development Authority			
LIABILITIES							
Current liabilities:							
Accounts payable	3,728,402	133,143	16,396	12,901	3,890,842	51,482	
Customer deposits	2,458,351	697,427	1,530		3,157,308		
Accrued liabilities	74,064	48,909	9,403	35,820	168,196		
Accrued compensated absences	93,516	47,300	12,101		152,917		
Due to other funds				10,000	10,000	410,000	
Unearned revenue	1,203,915	1,182,391			2,386,306		
Claims reserve					-	1,700,000	
Notes payable, current		837,725	185,956		1,023,681		
Capital leases, current	158,893		40,085		198,978		
Intergovernmental agreement payable, current	310,000				310,000		
Landfill postclosure liability, current			48,037		48,037		
Liabilities payable from restricted assets:							
Accrued interest	46,216				46,216		
Revenue bonds, current	940,000				940,000		
Total current liabilities	9,013,357	2,946,895	313,508	58,721	12,332,481	2,161,482	
Noncurrent liabilities:							
Compensated absences	140,273	70,950	18,151		229,374		
Revenue bonds, long-term	3,010,000				3,010,000		
Notes payable, long-term		12,707,114	2,492,749		15,199,863		
Capital leases, long-term	331,046				331,046		
Intergovernmental agreement payable, long-term	1,780,000				1,780,000		
Landfill postclosure liability			8,710,299		8,710,299		
Advances from other funds	617,210				617,210		
Net OPEB liability	2,753,705	1,865,273	363,779		4,982,757		
Net pension liability	3,157,267	2,138,633	417,092		5,712,992		
Total noncurrent liabilities	11,789,501	16,781,970	12,002,070	-	40,573,541	-	
Total liabilities	20,802,858	19,728,865	12,315,578	58,721	52,906,022	2,161,482	
DEFERRED INFLOWS OF RESOURCES							
Pensions:							
Difference between expected and actual experience	2,596	1,758	343		4,697		
Net difference between projected and actual earnings on investments	43,041	29,154	5,686		77,881		
Other post-employment benefits:							
Difference between expected and actual experience	32,805	22,221	4,333		59,359		
Changes of assumptions	365,202	247,376	48,246		660,824		
Total deferred inflows of resources	443,644	300,509	58,608	-	802,761	-	
NET POSITION							
Net investment in capital assets	29,506,401	51,988,075	16,267,820	4,216,685	101,978,981		
Restricted, Community Development				125,000	125,000		
Unrestricted	29,980,706	13,256,180	(5,801,920)	7,151	37,442,117	449,736	
Total net position	\$ 59,487,107	\$ 65,244,255	\$ 10,465,900	\$ 4,348,836	\$ 139,546,098	\$ 449,736	

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2020

	Business-Type Activities					Internal Service Funds	
	Major Enterprise Funds			Non-Major Enterprise Fund	Total		Governmental Activities
	Utility Fund	Water & Sewerage Fund	Sanitation Fund	Downtown Development Authority			
Operating revenues:							
Water and sewerage system		\$ 17,391,373			\$ 17,391,373		
Gas system	\$ 12,394,141				12,394,141		
Electric system	47,747,760				47,747,760		
Sanitation			\$ 2,637,866		2,637,866		
Premiums						\$ 8,531,588	
Telecommunications	3,421,210				3,421,210		
Sponsorships				\$ 304,595	304,595		
Other sales	570,666	434,664	19,444		1,024,774		
Miscellaneous income				34,085	34,085		
Total operating revenue	64,133,777	17,826,037	2,657,310	338,680	84,955,804	8,531,588	
Operating expenses:							
Water and sewerage system		9,955,564			9,955,564		
Gas system	7,645,833				7,645,833		
Electric system	42,106,089				42,106,089		
Sanitation			1,653,500		1,653,500		
Telecommunications	3,107,134				3,107,134		
Administrative services						243,932	
Depreciation	2,340,428	3,539,045	1,149,225	123,177	7,151,875		
Risk management						9,673,267	
Community development				109,530	109,530		
Total operating expenses	55,199,484	13,494,609	2,802,725	232,707	71,729,525	9,917,199	
Operating income (loss)	8,934,293	4,331,428	(145,415)	105,973	13,226,279	(1,385,611)	
Nonoperating revenues (expenses):							
Investment income	1,191,821	261,735	7,117		1,460,673	75,367	
Gain (loss) on sale of assets	4,265	1,648	(33,770)		(27,857)		
Interest expense	(277,395)	(235,188)	(82,468)		(595,051)		
Total nonoperating revenues (expenses)	918,691	28,195	(109,121)	-	837,765	75,367	
Net income (loss) before contribution and transfers	9,852,984	4,359,623	(254,536)	105,973	14,064,044	(1,310,244)	
Capital contributions				225,538	225,538		
Transfers in	2,932,822	626,793	93,212		3,652,827		
Transfers out	(10,585,005)	(5,844,822)	(300,000)		(16,729,827)		
Change in net position	2,200,801	(858,406)	(461,324)	331,511	1,212,582	(1,310,244)	
Net position, beginning of year	57,286,306	66,102,661	10,927,224	4,017,325	138,333,516	1,759,980	
Net position, end of year	\$ 59,487,107	\$ 65,244,255	\$ 10,465,900	\$ 4,348,836	\$ 139,546,098	\$ 449,736	

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2020

	Business-Type Activities					Internal Service Funds	
	Major Enterprise Funds			Non-Major Enterprise Fund	Total		Governmental Activities
	Utility Fund	Water & Sewerage Fund	Sanitation Fund	Downtown Development Authority			
Cash flows from operating activities:							
Cash received from customers and users	\$ 64,796,538	\$ 18,238,212	\$ 1,697,688	\$ 348,680	\$ 85,081,118	\$ 8,528,760	
Cash paid to employees	(3,467,348)	(4,435,138)	(892,342)		(8,794,828)		
Cash paid to suppliers	(49,158,312)	(5,331,889)	(1,591,904)	(85,809)	(56,167,914)	(9,661,883)	
Net cash provided (used) by operating activities	12,170,878	8,471,185	(786,558)	262,871	20,118,376	(1,133,123)	
Cash flows from noncapital financing activities:							
Repayment of advance to (from) other funds	(105,600)				(105,600)	105,600	
Advances to other funds	124,223				124,223		
Contributions from other government entities				22,507	22,507		
Transfers in	2,932,822	626,793	93,212		3,652,827		
Transfers out	(10,585,005)	(5,844,822)	(300,000)		(16,729,827)		
Net cash provided (used) by noncapital financing activities	(7,633,560)	(5,218,029)	(206,788)	22,507	(13,035,870)	105,600	
Cash flows from capital and related financing activities:							
Principal payments on revenue bonds	(910,000)				(910,000)		
Proceeds from sale of assets	4,265	1,648	24,992		30,905		
Acquisition of capital assets	(652,203)	(601,699)		(124,506)	(1,378,408)		
Capital lease payments	(278,409)		(79,053)		(357,462)		
Payments on notes payable		(822,960)	(180,803)		(1,003,763)		
Payments on intergovernmental agreement	(295,000)				(295,000)		
Interest paid	(276,778)	(235,188)	(82,468)		(594,434)		
Net cash provided (used) by capital financing activities	(2,408,125)	(1,658,199)	(317,332)	(124,506)	(4,508,162)	-	
Cash flows from investing activities:							
Sale (purchase) of investments	3,567,763	(690,565)	7,117		2,884,315	(82,007)	
Investment income	1,191,821	261,735			1,453,556	75,367	
Net cash provided (used) by investing activities	4,759,584	(428,830)	7,117	-	4,337,871	(6,640)	
Net increase (decrease) in cash	6,888,777	1,166,127	(1,303,561)	160,872	6,912,215	(1,034,163)	
Cash, beginning of year	2,335,367	2,040,082	3,247,527	-	7,622,976	1,935,770	
Cash, end of year	\$ 9,224,144	\$ 3,206,209	\$ 1,943,966	\$ 160,872	\$ 14,535,191	\$ 901,607	

(Continued...)

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2020
(Continued)

	Business-Type Activities					Internal Service Funds	
	Major Enterprise Funds			Non-Major Enterprise Fund	Total		Governmental Activities
	Utility Fund	Water & Sewerage Fund	Sanitation Fund	Downtown Development Authority			
Cash flows from operating activities:							
Operating income (loss)	\$ 8,934,293	\$ 4,331,428	\$ (145,415)	\$ 105,973	\$ 13,226,279	\$ (1,385,611)	
Adjustments to reconcile operating income to net cash provided by operating activities:							
Depreciation	2,340,428	3,539,045	1,149,225	123,177	7,151,875		
Changes in operating assets and liabilities:							
Accounts receivable	1,533,255	226,792	478,378		2,238,425	(2,808)	
Inventory	(213,369)	15,657			(197,712)		
Prepaid expense	262			(25,000)	(24,738)	(127,635)	
Accounts payable	35,326	(48,344)	(56,758)	12,901	(56,875)	22,951	
Accrued vacation	18,711	15,486	(384)		33,813		
Due from other funds	(762,000)	(460,000)	(1,438,000)		(2,660,000)	(20)	
Due to other funds				10,000	10,000	160,000	
Claims reserve					-	200,000	
Unearned revenue	(254,236)	542,461			288,225		
Other accrued expenses	36,992	21,592	3,840	35,820	98,244		
Customer deposits	145,742	102,922			248,664		
Closure/postclosure			66,520		66,520		
Net OPEB liability	111,635	42,405	(507,633)		(353,593)		
Net pension liability	243,839	141,741	(336,331)		49,249		
Net cash provided (used) by operating activities	\$ 12,170,878	\$ 8,471,185	\$ (786,558)	\$ 262,871	\$ 20,118,376	\$ (1,133,123)	

Supplemental disclosure of non-cash investing and financing activities:

In 2020, Downtown Development Authority received \$198,031 in donated capital assets and a \$5,000 donated vendor deposit.

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of LaGrange, Georgia (the City) was incorporated in 1828, under the provisions of the State of Georgia. The City operates under a Council-Manager form of government and provides the following services: public safety (police and fire), highway and street, sanitation, health and social services, culture and recreation, community development, planning and zoning, and general administrative services.

The accounting policies of the City of LaGrange, Georgia conform to generally accepted accounting principles applicable to governments. The following is a summary of the City's more significant accounting policies used in the preparation of the accompanying financial statements.

- A. The Reporting Entity - The City of LaGrange, Georgia is a municipal corporation governed by a Mayor and seven member Council. The City has considered all potential component units for inclusion in these financial statements and determined that the Solid Waste Management Authority of the City of LaGrange and the Downtown Development Authority should be included on a blended basis, and the Downtown LaGrange Development Authority as well as Visit LaGrange should be included as a discretely presented component units.

The Solid Waste Management Authority of the City of LaGrange consists of an eight member board appointed by the governing authority of the City. The Authority provides a means to issue revenue bonds. Although it is legally separate from the City, the Authority is reported as if it were part of the City's Solid Waste Fund because the board and management of the Authority are substantially the same as the City. Additionally, the City is wholly responsible for the debt of the Authority whose sole purpose is to finance, construct, equip, expand, and maintain the City's solid waste facilities. Separate financial statements are not prepared by the Solid Waste Management Authority.

The Downtown Development Authority consists of a six member board appointed by the governing authority of the City. The Authority oversees the operations of the Sweetland Amphitheatre. Although it is legally separate from the City, the Authority is reported as a non-major enterprise fund because the City appoints a majority of the Board, is responsible for support, and the Authority provides services almost entirely to the City. Separate financial statements are not prepared by the Downtown Development Authority.

The component unit column in the financial statements includes the financial data of the Downtown LaGrange Development Authority and Visit LaGrange. The purpose of the Authorities is to revitalize and redevelop central business districts, promote tourism, and promote the public good and the general welfare of the City. They are reported in separate columns to emphasize that they are legally separate from the City. The Downtown LaGrange Development Authority and Visit LaGrange are presented as discretely presented component units under GASB-14, as amended by GASB-61, because the Authorities are legally separate, the municipality appoints a voting majority of the Authorities and is able to impose its will on the Authorities, and the Authorities provide services and benefits which are not limited to the City.

The Downtown LaGrange Development Authority is presented as an enterprise fund type. Complete financial statements can be obtained from the Downtown LaGrange Development Authority, 200 Main Street, Suite 1-B, LaGrange, Georgia 30240.

Visit LaGrange is presented as a governmental fund type. Visit LaGrange has been discretely presented in a separate column in these financial statements and do not issue separate financial statements.

- B. Government-Wide and Fund Financial Statements - The government-wide statements (the statement of net position and the statement of activities) report information on all of the activities of the primary government and the component units of the City. As a general rule, the effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020
(Continued)

from goods, services, or privileges provided by a given program, and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Taxes and other items such as internally dedicated resources, not properly included among program revenues are reported instead as general revenues.

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental funds and proprietary funds. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

- C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Grants from other governments, sales tax, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

SPLOST Fund - The SPLOST Fund is a capital project fund to account for the City's portion of SPLOST funds received from the County for the purpose of improvement or acquisition of assets and infrastructure.

Additionally, the City reports the following major proprietary funds:

Enterprise Funds - These funds account for operations of the City which are to be financed and operated in a manner similar to a private business enterprise in which the costs (including depreciation) incurred in providing services are being recovered primarily through user charges. These operations include sanitation, water and sewer, electricity, telecommunication, and natural gas services.

- **Utility Fund** - The Utility Fund accounts for operations of the City which are to be financed and operated in a manner similar to a private business enterprise in which the costs (including depreciation) incurred in providing services are being recovered primarily through user charges. These operations include electricity, telecommunication, and natural gas services.
- **Water and Sewerage Fund** - The Water and Sewerage Fund accounts for the operations of the City's water and sewerage activities.
- **Sanitation Fund** - The Sanitation Fund accounts for the provision of solid waste collection and disposal services to the residents and businesses of the City.

Additionally, the government reports the following fund types:

Internal Service Fund - The Group Insurance Fund and the Property and Casualty Insurance Fund account for the City's partial self-insurance of employee medical claims, workers' compensation claims, and general liability claims provided to other departments of the government on a cost reimbursement basis.

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020
(Continued)

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and production and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City's net position is reported in three parts - (1) net investment in capital assets; (2) restricted net position; and (3) unrestricted net position. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

- D. Budgets and Budgetary Accounting - On or about May 1 of each year, the City Manager presents a proposed operating budget to the City Council for the fiscal year commencing the following July 1. After revisions, if any, by the council, the budget is legally enacted through passage of an ordinance. The City Manager is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that alter the total expenditures of any department or fund must be approved by the City Council. Any supplemental appropriations are approved by the City Council. No supplemental appropriations were made during the year ended June 30, 2020.

The budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Capital Projects Fund and SPLOST Fund are budgeted on a project basis, which may be one or more years in length. Proprietary fund type budgets are adopted for management control purposes only.

- E. Cash and Cash Equivalents - Cash and cash equivalents shown on the balance sheet represent demand deposits and non-negotiable certificates of deposit. All highly liquid investments with an original maturity of three months or less when purchased are considered to be cash equivalents.
- F. Investments - The statutes of the State of Georgia authorize the City to invest in U.S. government obligations; U.S. governmental agency obligations; State of Georgia or other states obligations; obligations of other counties, municipal corporations and political subdivisions of the State of Georgia which are rated "A" or better by Moody's Investors Service, Inc.; negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association; repurchase agreements when collateralized by U.S. government or agency obligations; banker's acceptances that are eligible for purchase by the Federal Reserve Bank; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

Investments are stated at fair value based upon quoted market prices.

- G. Receivables and Payables - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

- H. Inventory and Prepaid Items - Inventory is valued at cost determined principally using the first-in, first-out (FIFO) method. Inventory is recorded on the consumption method which means that inventory acquisitions are recorded in inventory accounts initially and charged as expenditures or expenses when used. Prepaid items are also recorded on the consumption method.

CITY OF LAGRANGE, GEORGIA
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020
 (Continued)

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

- I. **Capital Assets** - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. streets, traffic signals, sewers, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or greater and an estimated useful life in excess of one year. Some assets are capitalized when the aggregated amount of a group of an asset is material. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at their acquisition value at the time of acquisition plus any ancillary charges incurred to put the asset into service. Construction period interest is capitalized with the cost of the asset. Depreciation has been provided over the estimated useful lives of the assets using the straight-line method.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the primary government, as well as any reported component units, are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40-50 years
Distribution systems.....	33-50 years
Furniture and fixtures.....	5-10 years
Equipment and vehicles.....	5-25 years
Infrastructure.....	10-50 years

- J. **Long-Term Obligations** - In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

- K. **Accrued Vacation** - A liability for accrued vacation pay is recorded by the City. A liability for unused sick leave pay is not recorded since these amounts do not vest.

- L. **Fund Equity** - The City has implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength to the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable fund balance** - Amounts that are not in a spendable form (such as inventory or prepaid items) or are required to be maintained intact;
- **Restricted fund balance** - Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- **Committed fund balance** - Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- **Assigned fund balance** - Amounts a government intends to use for a specific purpose. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- **Unassigned fund balance** - Amounts that are available for any purpose. Positive amounts are reported only in the general fund.

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020
(Continued)

City Council establishes (and modifies or rescinds) fund balance commitments by the passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the City Council through adoption or amendment of the budget as intended for specific purpose (such as purchase of capital assets, construction, debt service, or for other purposes). It is the City's policy to use restricted fund balances first followed by committed amounts, assigned amounts, and then unassigned amounts, respectively.

- M. Deferred Outflows/Inflows of Resources - In addition to assets, the financial statements of the City will sometimes report a separate section for deferred outflows of resources. This separate element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources in the form of expenditures until that time. The differences between expected and actual experience, the changes of assumptions, and the contributions made to the pension plan after the measurement date are the pension related items that the City has that qualify for reporting in this category. The items related to other post-employment benefits (OPEB) that qualify for reporting in this category are the contributions made after the measurement date and differences between expected and actual experience.

In addition to liabilities, the financial statements of the City will sometimes report a separate section for deferred inflows of resources. This separate element, deferred inflows in resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources in the form of revenue until that time. The difference between expected and actual experience and the net difference between projected and actual earnings on investments are the pension related items that the City has that qualify for reporting in this category. Items related to other post-employment benefits (OPEB) that qualify for reporting in this category are as follows: the differences between expected and actual experience, and the changes of assumptions.

- N. Pensions - For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of LaGrange Georgia's Municipal Employees Benefit System (GMEBS) plans and additions to/deductions from the Plans' fiduciary net pension have been determined on the same basis as they are reported by GMEBS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.
- O. Other Post-Employment Benefits (OPEB) - For purposes of measuring the total OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expenses have been determined in accordance with GASBS No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions*. Benefit payments are recognized when due, and payable in accordance with the benefit terms.
- P. Reclassifications - Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.
- Q. Use of Estimates to Prepare Financial Statements - Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.
- R. Subsequent Events - Subsequent events have been evaluated by management through January 27, 2021 which is the date the financial statements were available to be issued.
- S. Recently Issued Accounting Principles - The "Governmental Accounting Standards Board" (GASB) has approved the following GASB Statements that have been adopted by the City for the year ended June 30, 2020.

GASB Statement No. 95 "Postponement of the effective dates of certain authoritative guidance" which is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The objective of this Statement is to postpone the effective dates of certain provisions in the Statements and Implementation Guides that first became effective for periods beginning after June 15, 2018 and later.

CITY OF LAGRANGE, GEORGIA
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020
 (Continued)

2. DEPOSITS AND INVESTMENTS

Primary Government

At year end, the carrying amount of the City's deposits was \$16,947,918, which includes \$7,850 petty cash and the bank balance was \$17,474,224. Of the bank balance, \$251,014 was covered by federal deposit insurance, and \$17,223,210 was collateralized through a multiple financial institution collateral pool. The City does not have a deposit policy for custodial credit risk.

The City adopted and now applies all guidance related to fair value measurement in accordance with U.S. generally accepted accounting principles, which defines fair value and establishes a framework for measuring fair value and enhances disclosures about fair value measurements in regards to their investments.

These standards define fair value at the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction value hierarchy, which requires an organization to maximize the use of the observable inputs when measuring fair value.

The following provides a description of the three levels of inputs that may be used to measure fair value under the standard, the types of investments that fall under each category, and the valuation methodologies used to measure these investments at fair value.

Level 1 – Investments reflect prices quoted in active markets.

Level 2 – Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.

Level 3 – Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

Investments classified in Level 1 of the fair value hierarchy are valued directly from a predetermined primary external pricing vendor. Assets classified in Level 2 are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor. Investments classified in Level 3, due to lack of an independent pricing source, are valued using an internal fair value as provided by the investment manager.

Description	Fair Value 6/30/2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasury Bond/Note	\$ 16,010,894		\$ 16,010,894	
Municipal Bond/Note	2,145,079		2,145,079	
Federal Agency CMO	8,510,110		8,510,110	
Federal Agency Bond/Note	8,827,840		8,827,840	
Municipal Competitive Trust	21,744			\$ 21,744
Coca Cola Stock	870,313	\$ 870,313		
Georgia Fund 1 (State Investment Pool)	6,410			6,410
	<u>\$ 36,392,390</u>	<u>\$ 870,313</u>	<u>\$ 35,493,923</u>	<u>\$ 28,154</u>

Interest Rate Risk – The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Securities purchased by or on behalf of the City shall have a final maturity of five and one-half years or less from the date of settlement. The maximum effective duration of the entire portfolio shall be three years. The City has adopted a cash flow needs and market conditions method for its interest rate risk.

CITY OF LAGRANGE, GEORGIA
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020
 (Continued)

Credit Risk – As discussed in Note 1. F., state law limits investments available to local governments by statute. The City's investment policy follows these guidelines.

Concentration of Credit Risk – The City's investment policy limits its investment choices to maximum per issuer which does not exceed 40% for obligations of any corporation of the United States Government or Agency Mortgage - Backed Securities (MBS).

The City's investment of \$6,410 in the Georgia Fund 1 local government investment pool has not been categorized as to risk level because it is a pool managed by another government. Georgia Fund 1, which was created by the Official Code of Georgia Annotated (OCGA) 36-83-8, is a stable net asset value investment pool which follows Standard & Poor's criteria for AAA rated market funds. Georgia Fund 1 is not considered to be a 2a-7 like pool. The pool is not registered with the Securities and Exchange Commission as an investment company. The Office of State Treasurer is the regulatory oversight agency of Georgia Fund 1. The pool's primary objectives are safety of capital, investment income liquidity and diversification while maintaining principal (\$1.00) per share value. Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1.00 per share. As of June 30, 2020, the City's investment in the state investment pool was rated AA+ by Standard & Poor's. The maturity at June 30, 2020 for this fund was 38 day WAM.

Component Units

At year end, the Downtown LaGrange Development Authority did not have any investments, and the carrying amount of the Authority's deposits (checking and certificates of deposit) was \$742,160 and the bank balance was \$755,730. Of the bank balance, \$632,309 was covered by federal depository insurance (FDIC), and \$123,421 was collateralized through a multiple financial institution collateral pool (Georgia Secure Deposit Program). The Authority does not have a deposit policy for custodial risk.

At year end, Visit LaGrange did not have any investments, and the carrying amount of Visit LaGrange's deposits was \$659,466 and the bank balance was \$814,112. Of the bank balance \$445,697 was covered by federal depository insurance (FDIC), and \$368,415 was collateralized through a multiple financial institution collateral pool (Georgia Secure Deposit Program). Visit LaGrange does not have a deposit policy for custodial risk.

3. NOTES AND ACCOUNTS RECEIVABLE

Primary Government

At June 30, 2020, there were no outstanding notes receivables.

Accounts receivable at June 30, 2020 in the Utility Fund, the Water and Sewerage Fund, and the Sanitation Fund is reported net of an allowance for doubtful accounts of \$7,810,028, \$1,884,721, and \$92,836, respectively.

Component Units

Note receivable at June 30, 2020 for LaGrange Downtown Development Authority consist of the following:

Note receivable from an individual, 3.25% per annum, to be paid in monthly installments of principal and interest in the amount of \$1,307 from October 1, 2012 through September 1, 2028.	\$ <u>113,824</u>
Due within one year	\$ <u>12,181</u>
Note receivable from an individual, 4.00% per annum, to be paid in monthly installments of principal and interest in the amount of \$760 from September 1, 2014 through August 1, 2039.	\$ <u>121,703</u>
Due within one year	\$ <u>4,337</u>

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020
(Continued)

4. CAPITAL ASSETS

Primary Government

Capital asset activity for governmental activities for the year ended June 30, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 13,601,122			\$ 13,601,122
Construction in progress	<u>3,217,264</u>	\$ 1,271,433	\$ (3,074,718)	<u>1,413,979</u>
Total capital assets not being depreciated	<u>16,818,386</u>	<u>1,271,433</u>	<u>(3,074,718)</u>	<u>15,015,101</u>
Capital assets being depreciated:				
Buildings	22,289,346	2,945,745		25,235,091
Machinery and equipment	13,871,607	216,632	(128,615)	13,959,624
Vehicles	5,286,288	147,932	(192,981)	5,241,239
Infrastructure	<u>56,724,793</u>	<u>5,226,198</u>		<u>61,950,991</u>
Total capital assets being depreciated	<u>98,172,034</u>	<u>8,536,507</u>	<u>(321,596)</u>	<u>106,386,945</u>
Less, accumulated depreciation for:				
Buildings	(6,198,493)	(538,305)		(6,736,798)
Machinery and equipment	(8,534,192)	(851,852)	93,648	(9,292,396)
Vehicles	(3,744,376)	(502,526)	190,644	(4,056,258)
Infrastructure	<u>(21,998,893)</u>	<u>(1,780,217)</u>		<u>(23,779,110)</u>
Total accumulated depreciation	<u>(40,475,954)</u>	<u>(3,672,900)</u>	<u>284,292</u>	<u>(43,864,562)</u>
Total capital assets being depreciated, net	<u>57,696,080</u>	<u>4,863,607</u>	<u>(37,304)</u>	<u>62,522,383</u>
Governmental activities capital assets, net	<u>\$ 74,514,466</u>	<u>\$ 6,135,040</u>	<u>\$ (3,112,022)</u>	<u>\$ 77,537,484</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 3,510,561	\$ 50,000		\$ 3,560,561
Construction in progress	<u>911,028</u>	<u>638,818</u>	\$ (689,919)	<u>859,927</u>
Total capital assets, not being depreciated	<u>4,421,589</u>	<u>688,818</u>	<u>(689,919)</u>	<u>4,420,488</u>
Capital assets being depreciated:				
Buildings	26,833,595	3,997,735		30,831,330
Machinery and equipment	20,458,784	440,001	(212,948)	20,685,837
Vehicles	1,656,325	60,750	(71,429)	1,645,646
Infrastructure	<u>197,373,381</u>	<u>1,096,380</u>		<u>198,469,761</u>
Total capital assets being depreciated	<u>246,322,085</u>	<u>5,594,866</u>	<u>(284,377)</u>	<u>251,632,574</u>
Less, accumulated depreciation for:				
Buildings	(16,776,550)	(606,457)		(17,383,007)
Machinery and equipment	(15,153,789)	(1,192,187)	154,186	(16,191,790)
Vehicles	(1,471,481)	(64,537)	71,429	(1,464,589)
Infrastructure	<u>(93,042,433)</u>	<u>(5,288,694)</u>		<u>(98,331,127)</u>
Total accumulated depreciation	<u>(126,444,253)</u>	<u>(7,151,875)</u>	<u>225,615</u>	<u>(133,370,513)</u>
Total capital assets being depreciated, net	<u>119,877,832</u>	<u>(1,557,009)</u>	<u>(58,762)</u>	<u>118,262,061</u>
Business-type activities capital assets, net	<u>\$ 124,299,421</u>	<u>\$ (868,191)</u>	<u>\$ (748,681)</u>	<u>\$ 122,682,549</u>

Transfer of the Downtown Development Authority's capital assets has been included in the "increases" column under business-type activities for the City.

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020
(Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 304,959
Public safety	536,196
Public service	381,680
Culture and recreation	55,155
Community development	<u>2,394,910</u>

Total depreciation expense for governmental activities \$ 3,672,900

Business-type activities:

Water and sewerage	\$ 3,539,045
Electric system	773,036
Gas system	1,102,648
Telecommunications	464,744
Sanitation	1,149,225
Community development	<u>123,177</u>

Total depreciation expense for business-type activities \$ 7,151,875

Component Units

Activity for the Downtown LaGrange Development Authority for the year ended June 30, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land - Property held for lease	\$ 1,586,750			\$ 1,586,750
Land - Event center	<u>34,960</u>			<u>34,960</u>
Total capital assets not being depreciated	<u>1,621,710</u>	\$ -	\$ -	<u>1,621,710</u>
Capital assets being depreciated:				
Buildings and improvements	19,410,994	93,585	(31,880)	19,472,699
Equipment	<u>1,094,116</u>	<u>100,657</u>	<u>(286,504)</u>	<u>908,269</u>
Total capital assets being depreciated	<u>20,505,110</u>	<u>194,242</u>	<u>(318,384)</u>	<u>20,380,968</u>
Less, accumulated depreciation for:				
Buildings and improvements	(4,085,530)	(490,865)	1,470	(4,574,925)
Equipment	<u>(673,023)</u>	<u>(72,423)</u>	<u>18,760</u>	<u>(726,686)</u>
Total accumulated depreciation	<u>(4,758,553)</u>	<u>(563,288)</u>	<u>20,230</u>	<u>(5,301,611)</u>
Total capital assets being depreciated, net	<u>15,746,557</u>	<u>(369,046)</u>	<u>(298,154)</u>	<u>15,079,357</u>
Total capital assets, net	<u>\$ 17,368,267</u>	<u>\$ (369,046)</u>	<u>\$ (298,154)</u>	<u>\$ 16,701,067</u>

Depreciation expense for the Authority was charged to functions as follows:

Community development	<u>\$ 563,288</u>
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CITY OF LAGRANGE, GEORGIA
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020
 (Continued)

Activity for Visit LaGrange for the year ended June 30, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets being depreciated:				
Equipment		\$ 2,057		\$ 2,057
Total capital assets being depreciated	\$ -	2,057	\$ -	2,057
Less, accumulated depreciation:				
Equipment		(274)		(274)
Total capital assets, net	\$ -	\$ 1,783	\$ -	\$ 1,783

Depreciation expense for Visit LaGrange was charged to functions as follows:

Community development	\$ 274
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Activity for the Downtown Development Authority for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 50,000	\$ -	\$ (50,000)	\$ -
Capital assets being depreciated:				
Infrastructure	4,121,896	-	(4,121,896)	-
Less, accumulated depreciation for:				
Infrastructure	(154,571)	-	154,571	-
Total capital assets being depreciated, net	3,967,325	-	(3,967,325)	-
Total capital assets, net	\$ 4,017,325	\$ -	\$ (4,017,325)	\$ -

As noted above, transfer of the Downtown Development Authority's capital assets has been included in the "increases" column under business-type activities for the City.

5. LONG-TERM DEBT

A. Revenue Bonds

Primary Government

Business-Type Activities

The City issued direct placement revenue bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. The Utility Fund currently has revenue bonds outstanding to be paid from the gas system revenue.

In prior years, the City issued \$10,500,000 in direct placement revenue bonds to finance construction projects to expand existing facilities and construct additional facilities. Revenue bonds outstanding at year end are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Series 2009 Gas Authority Revenue Bonds	4.09%	\$ 1,810,000
Series 2012 Gas Authority Revenue Refunding Bonds	2.035%	2,140,000
		<u>\$ 3,950,000</u>

Revenue bond service requirements to maturity are as follows:

	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
Year ending June 30:		
2021	\$ 940,000	\$ 117,578
2022	975,000	89,715
2023	1,000,000	60,729
2024	1,035,000	30,927
	<u>\$ 3,950,000</u>	<u>\$ 298,949</u>

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020
(Continued)

B. Notes Payable

Primary Government

Business-Type Activities

In prior years, the City's Water and Sewerage Fund and Sanitation Fund entered into direct borrowing notes payable for system improvements under loan agreements with Georgia Environmental Facilities Authority in the amounts of \$18,028,366 and \$4,006,058 respectively. In the event of default, the Georgia Environmental Facilities Authority may declare all or any part of the indebtedness immediately due and payable.

Notes payables currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
Gas recirculation project at landfill – Sanitation Fund	2.33%	\$ 225,836
Construction of Cell No. 5 at landfill – Sanitation Fund	3.03%	2,452,869
Construction of water line – Water and Sewerage Fund	4.10%	327,791
Improvements at water pollution control plant – Water and Sewerage Fund	3.00%	1,798,403
Long Cane pump station – Water and Sewerage Fund	1.40%	6,965,711
Yellow Jacket Creek pump station – Water and Sewerage Fund	1.40%	4,452,934
		<u>\$ 16,223,544</u>

Notes payable service requirements to maturity are as follows:

	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
Year ending June 30:		
2021	\$ 1,023,681	\$ 297,736
2022	1,044,011	277,407
2023	1,064,836	256,581
2024	1,070,343	235,282
2025	1,043,975	214,368
2026-2030	5,447,196	752,997
2031-2035	5,027,332	257,207
2036-2037	502,170	2,459
	<u>\$ 16,223,544</u>	<u>\$ 2,294,037</u>

The City is in compliance with the covenants as to rates, fees, and charges in the loan agreements authorizing the issuance of the Georgia Environmental Facilities Authority. The loan agreements require the City to establish a schedule of rates, fees, and charges sufficient to produce net revenues at least equal to 1.05 times the amounts required to pay the principal and interest on all notes payable. The debt service coverage ratio calculation for the year ended June 30, 2020 is as follows:

	<u>Water & Sewerage Fund</u>	<u>Sanitation Fund</u>
Operating revenues	\$ 17,826,037	\$ 2,657,310
Operating expenses (less depreciation)	(9,955,564)	(1,653,500)
Nonoperating revenues	263,383	7,117
Income available for debt service	8,133,856	1,010,927
Debt service, principal and interest paid (notes payable only)	1,058,147	263,270
Debt service coverage ratio	7.69	3.84

CITY OF LAGRANGE, GEORGIA
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020
 (Continued)

Component Units

The Downtown LaGrange Development Authority converted a line of credit into a 20 year direct borrowing note payable in September 2016 for the construction of the District 4 Health building. The total amount of the loan is \$2,070,000. The Authority also entered into a 15 year direct borrowing note payable in September 2017 for the renovation of a building for a craft brewery. The total amount of the loan is \$556,149.

The Authority entered into two separate direct borrowing notes payable in September 2017 for the purpose of refinancing a line of credit for the acquisition of equipment for the craft brewery company. Each loan is a 10 year loan for \$250,000. All of the Authority's direct borrowing notes payable are secured with collateral of assignment of lease income on real property, and/or real property. Also, all notes contain a provision that in the event of default, outstanding amounts become immediately due if the Authority is unable to make a payment.

<u>Purpose</u>	<u>Interest Rate</u>	<u>Balance</u>
Construction of District 4 Health building	3.39%	\$ 1,858,104
Renovation of craft brewery building	3.85%	481,980
Craft brewery equipment	2.00%	192,103
Craft brewery equipment	3.00%	<u>194,338</u>
		<u>\$ 2,726,525</u>

Notes payable service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>
Year ending June 30:		
2021	\$ 138,449	\$ 90,790
2022	143,001	86,238
2023	147,710	81,529
2024	152,425	76,814
2025	157,611	71,628
2026-2030	723,929	280,836
2031-2035	574,928	165,738
2036-2037	<u>688,472</u>	<u>27,150</u>
	<u>\$ 2,726,525</u>	<u>\$ 880,723</u>

C. Capital Leases

The City has entered into lease agreements for financing the acquisition of various pieces of equipment and vehicles for the governmental activities and business-type activities. Capital leases for governmental activities are being repaid through the General Fund. Capital leases for business-type activities are being repaid through the Utility and Sanitation Funds. These lease agreements qualify as capital leases for accounting purposes, and the expense resulting from amortization of assets recorded under capital leases is included in depreciation expense. Therefore, the lease agreements have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Asset:		
Machinery and equipment	\$ 9,799,812	\$ 12,959,952
Less, accumulated depreciation	<u>(6,592,803)</u>	<u>(10,251,530)</u>
Total	<u>\$ 3,207,009</u>	<u>\$ 2,708,422</u>

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020
(Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020, were as follows:

	Governmental Activities	Business-type Activities
Year ending June 30:		
2021	\$ 750,376	\$ 204,609
2022	573,336	162,184
2023	294,409	152,828
2024	293,015	20,719
2025	292,938	
2026	292,938	
Total lease payments	2,497,012	540,340
Less, amount representing interest	(166,019)	(10,316)
	<u>\$ 2,330,993</u>	<u>\$ 530,024</u>

D. Changes in Long-Term Debt

Primary Government

Long-term debt activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Capital leases	\$ 2,536,609	\$ 625,083	\$ (830,699)	\$ 2,330,993	\$ 743,746
Governmental activities long-term debt	<u>\$ 2,536,609</u>	<u>\$ 625,083</u>	<u>\$ (830,699)</u>	<u>\$ 2,330,993</u>	<u>\$ 743,746</u>
Business-type activities:					
Revenue bonds	\$ 4,860,000		\$ (910,000)	\$ 3,950,000	\$ 940,000
Notes payable	17,227,306		(1,003,762)	16,223,544	1,023,681
Capital leases	887,486		(357,462)	530,024	198,978
Business-type activities long-term debt	<u>\$ 22,974,792</u>	<u>\$ -</u>	<u>\$ (2,271,224)</u>	<u>\$ 20,703,568</u>	<u>\$ 2,162,659</u>

Component Unit

Long-term debt activity for Downtown LaGrange Development Authority for the year ending June 30, 2020 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes payable	<u>\$ 2,844,744</u>	<u>\$ -</u>	<u>\$ (118,219)</u>	<u>\$ 2,726,525</u>	<u>\$ 138,449</u>

CITY OF LAGRANGE, GEORGIA
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020
 (Continued)

6. OTHER LONG-TERM OBLIGATIONS

Primary Government

A. Compensated Absences

The City accrues compensated absences for their employees. Both governmental and business-type activities have accrued absences at June 30, 2020. Accrued compensated absences from governmental activities are repaid through the General Fund. Business-type activities accrued compensated absences are repaid through the Utility Fund, Water and Sewerage Fund, and Sanitation Fund.

B. Intergovernmental Agreements Payable

The City of LaGrange has entered into three separate intergovernmental contracts for governmental activities and one separate intergovernmental contract for business-type activities.

- The LaGrange Development Authority (LDA), the Troup County Development Authority, the City of LaGrange, and Troup County entered into an intergovernmental contract under which the LDA is to acquire, construct and equip a new industrial park (Callaway South Industrial Park) on approximately 1,100 acres located within LaGrange. The LDA issued two series of revenue bonds, Series 2007A in the aggregate amount of \$1,565,000 and Series 2007B in the aggregate amount of \$5,285,000. In the year ended June 30, 2014, the LDA refunded the 2007B in full. The revenue bonds, 2012 Revenue Refunding Bonds are secured by the intergovernmental contract under which the City of LaGrange and Troup County have agreed to each pay one-half of the debt service on the bonds when due, commencing in February, 2013. LDA is obligated for up to 50 years to reimburse the City of LaGrange and Troup County for payments made under the intergovernmental contract from net proceeds received from the sale or lease of parcels.
- The City entered into a contract dated April 1, 2005, with the Downtown LaGrange Development Authority obligating the City to service the principal and interest on the Authority's Series 2005 Revenue Bonds. The bond proceeds were used to construct a movie theater in the downtown area of LaGrange. In the year ended June 30, 2015 the Downtown LaGrange Development Authority refunded the Series 2005 Revenue Bonds with Series 2014 Revenue Bonds, which the City is obligated to service.
- The City entered into an intergovernmental agreement under which the LaGrange Development Authority (LDA) is to construct a conference center. The LDA issued revenue bonds, Series 2016 in the amount of \$16,920,000 and the City is obligated to service the principal and interest.
- The City also entered into a contract dated December 1, 2005 with the LaGrange Development Authority obligating the City to service the debt of the Authority's Series 2005A and 2005B Revenue Bonds. The proceeds of the bonds were used to acquire, construct and equip a new office park (Ridley Office Park). The Authority is obligated to reimburse the City for payments made under the contract from net proceeds received from the sale of parcels.

Intergovernmental agreements outstanding at year end are as follows:

Governmental Activities

<u>Purpose</u>	<u>Interest Rates</u>	<u>Balance</u>
Callaway South Industrial Park - LaGrange Development Authority 2012 Series Revenue Bond Refunding	2.60%	\$ 1,792,500
Carmike Cinema - Downtown LaGrange Development Authority Series 2014 Revenue Bonds	3.45%	1,220,000
Conference Center – Downtown LaGrange Development Authority 2016 Series Revenue Bonds	3.00% - 5.00%	16,235,000
		<u>\$ 19,247,500</u>

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020
(Continued)

Governmental activities intergovernmental agreements service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>
Year ending June 30:		
2021	\$ 785,000	\$ 723,124
2022	815,000	691,999
2023	852,500	659,572
2024	887,500	625,604
2025	915,000	590,162
2026-2030	3,317,500	2,473,786
2031-2035	2,975,000	1,961,006
2036-2040	3,525,000	1,411,369
2041-2045	4,225,000	703,587
2046	950,000	38,000
	<u>\$ 19,247,500</u>	<u>\$ 9,878,209</u>

Business-Type Activities

<u>Purpose</u>	<u>Interest Rates</u>	<u>Balance</u>
Ridley Office Park - LaGrange Development Authority Series 2005A and 2005B Revenue Bonds	4.41% to 5.50%	<u>\$ 2,090,000</u>

Business-type activities intergovernmental agreements service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>
Year ending June 30:		
2021	\$ 310,000	\$ 92,169
2022	325,000	78,498
2023	340,000	64,165
2024	355,000	49,172
2025	370,000	33,516
2026	390,000	17,199
	<u>\$ 2,090,000</u>	<u>\$ 334,719</u>

C. Landfill Closure and Postclosure Care Cost

State and federal laws and regulations require the City's Sanitation Fund to place a cover on landfill sites when it stops accepting waste, and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Although closure and post-closure care costs will not be paid until after the date a landfill stops accepting waste, the Sanitation Fund is required to accrue these closure and post-closure care costs over the landfill's operational period. The \$8,758,336 reported as the landfill closure and post-closure care liability at June 30, 2020 includes \$1,545,575, which represents the cumulative amount accrued to date, less amounts already paid, based on the use of one hundred percent of the estimated capacity of the landfill which was closed during the fiscal year ended June 30, 1998. The liability is based on the current costs of closure and post-closure care. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. According to EPD guidelines this liability will be frozen at the present amount.

The remaining amount reported as landfill closure and post-closure cost of \$7,212,761 relates to an additional landfill site, which began accepting waste during the year ended June 30, 1999. This landfill site has an estimated closure and post-closure cost of \$9,845,785, which is based on the current cost necessary to perform all closure and post-closure care. The City expects to close the landfill in 2026. As of June 30, 2020, approximately 71% of this landfill's capacity had been utilized and accordingly, a liability of \$7,212,761 has been recognized. The City will recognize the remaining estimated closure and post-closure care of \$2,633,024 as the remaining capacity is used.

CITY OF LAGRANGE, GEORGIA
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020
 (Continued)

D. Changes in Other Long-Term Obligations

Primary Government

Long-term obligations activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Compensated absences	\$ 620,007	\$ 548,715	\$ (511,394)	\$ 657,328	\$ 262,931
Intergovernmental agreements	<u>20,005,000</u>		<u>(757,500)</u>	<u>19,247,500</u>	<u>785,000</u>
Governmental activities other long-term obligations	<u>\$ 20,625,007</u>	<u>\$ 548,715</u>	<u>\$ (1,268,894)</u>	<u>\$ 19,904,828</u>	<u>\$ 1,047,931</u>
Business-type activities:					
Compensated absences	\$ 348,478	\$ 440,576	\$ (406,763)	\$ 382,291	\$ 152,917
Intergovernmental agreements	2,385,000		(295,000)	2,090,000	310,000
Landfill closure/postclosure	<u>8,691,816</u>	<u>66,520</u>		<u>8,758,336</u>	<u>48,037</u>
Business-type activities other long-term obligations	<u>\$ 11,425,294</u>	<u>\$ 507,096</u>	<u>\$ (701,763)</u>	<u>\$ 11,230,627</u>	<u>\$ 510,954</u>

7. DEBT LIMITATION

Generally, the Georgia Constitution limits indebtedness to 10% of the assessed value of taxable property located within a municipality. This provision also states that no new debt may be incurred without the assent of a majority of the qualified voters voting on the question of whether the City should incur the debt. The Constitution exempts from this debt limitation several categories of indebtedness, including but not limited to, temporary loans that are payable on or before December 31 of the calendar year in which they are made, and revenue bonds issued for the purpose of purchase or construction of public works.

The City's total indebtedness at June 30, 2020 was \$23,034,561. Of this total, none of the amount is chargeable to the constitutional debt limit.

The debt limitation for the City at June 30, 2020 would be \$119,164,061.

8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2020 is as follows:

Due to/from other funds:

	<u>Receivable Fund</u>				<u>Total</u>
	<u>Water and Sewerage Fund</u>	<u>Sanitation Fund</u>	<u>Utility Fund</u>	<u>Internal Service Fund</u>	
Payable Fund:					
General Fund			\$ 1,112,000	\$ 250,000	\$ 1,362,000
SPLOST Fund	\$ 160,000	\$ 1,218,000	1,010,000		2,388,000
Nonmajor governmental	300,000			20	300,020
Internal Service Fund		410,000			410,000
Nonmajor proprietary		10,000			10,000
	<u>\$ 460,000</u>	<u>\$ 1,638,000</u>	<u>\$ 2,122,000</u>	<u>\$ 250,020</u>	<u>\$ 4,470,020</u>

Outstanding balances between funds reported as "due to/from other funds" include outstanding charges by one fund to another for services or goods, subsidy commitments to supplement operations outstanding at year end and other miscellaneous receivables/payables between funds. All due to/from balances are expected to be repaid within one year.

CITY OF LAGRANGE, GEORGIA
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020
 (Continued)

Advances to/from other funds at June 30, 2020 consisted of the following:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>
Utility Fund	Internal Service Fund	\$ <u>617,210</u>
Nonmajor governmental	Utility Fund	\$ <u>2,347,054</u>

The advance between the Property and Casualty Fund (Internal Service Fund) and the Utility Fund represents a long-term interfund loan. The original advance was for \$1.7 million made during the fiscal year ended June 30, 2007, for the purpose of expanding the gas system infrastructure. The advance is being repaid in annual installments through June 2023.

The advance between the Nonmajor Governmental Fund and Utility Fund represents a long-term interfund loan between the Utility Fund and the Tax Allocation District Fund - Marriott. The original advance was for \$2,595,496 made during the fiscal year ended June 30, 2017, for the purpose of assisting with a portion of the cost of construction in the downtown area. The advance is being repaid in annual installments through February 2043.

The following table represents the noncurrent portion of interfund loans and is therefore classified as a noncurrent asset/liability on the Proprietary Funds Statement of Net Position. A reconciliation to the government-wide Statement of Net Position is as follows:

Total enterprise fund non-current liabilities per fund level Statement of Net Position	\$ 40,573,541
Advances from other funds	(617,210)
Net OPEB liability	(4,982,757)
Net pension liability	<u>(5,712,992)</u>
 Long-term debt and other long-term obligations - Due in more than one year per government-wide Statement of Net Position	 \$ <u>29,260,582</u>

Transfers are primarily used to move funds between the proprietary funds and the governmental funds for expenses paid through the accounts payable system. The City does not levy property taxes to its citizens and therefore relies upon the enterprise funds to supplement the general fund operating expenditures. Other transfers represent flows of cash or goods from one fund to another without a requirement for repayment. These transfers were as follows:

	<u>Transfers In</u>					<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Governmental</u>	<u>Utility Fund</u>	<u>Water and Sewerage Fund</u>	<u>Sanitation Fund</u>	
Transfers out:						
General Fund		\$ 2,486,433				\$ 2,486,433
Nonmajor governmental	\$ 2,634,226		\$ 188,000			2,822,226
Utility Fund	9,700,000	165,000		\$ 626,793	\$ 93,212	10,585,005
Water & Sewerage Fund	3,400,000		2,444,822			5,844,822
Sanitation			300,000			300,000
	<u>\$15,734,226</u>	<u>\$ 2,651,433</u>	<u>\$2,932,822</u>	<u>\$ 626,793</u>	<u>\$ 93,212</u>	<u>\$ 22,038,486</u>

9. RISK MANAGEMENT AND SELF-INSURANCE

The City is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To manage and provide for these risks, the City has established a Group Insurance Fund and a Property and Casualty Insurance Fund which are reported as internal service funds. These funds account for the risk financing activities of the City and do not constitute a transfer of risk from the City.

Charges to other funds for these benefits are based upon an estimate of actual claims, administrative costs, and stop-loss insurance premiums. Such charges are reported as revenue in the internal service funds and expenditures/expenses in the paying fund. An estimate of unpaid claims has been accrued as of June 30, 2020.

CITY OF LAGRANGE, GEORGIA
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020
 (Continued)

The City records an estimated liability for employee medical claims, workers' compensation, torts and other claims against the City. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred but not reported based on historical experience.

- A. Group Insurance Fund - The purpose of this Fund is to pay the medical claims of City employees and their covered dependents and to minimize the total cost of medical insurance to the City. Under this plan, the City is self-insured for claims aggregating up to \$5,460,985 for the year ended June 30, 2020. Claims exceeding this amount are covered by a private insurance carrier.
- B. Property and Casualty Insurance Fund - The purpose of this Fund is to pay worker's compensation, general, automobile and personal liability claims. This program is administered by a third party, which provides claims review and processing. Under this plan, the City is self-insured for claims per occurrence up to \$100,000 for general insurance liability and \$600,000 for workers compensation liability for the plan year ended June 30, 2020. Claims exceeding this amount are covered by a private insurance carrier.

The following represents changes in these liabilities for the last two fiscal years:

	Group Insurance	Property and Casualty
Liability balance, June 30, 2018	\$ 700,000	\$ 600,000
Claims and changes in estimate	7,359,520	3,476,427
Claims payments	(7,159,520)	(3,476,427)
Liability balance, June 30, 2019	900,000	600,000
Claims and changes in estimate	7,360,643	691,604
Claims payments	(7,160,643)	(691,604)
Liability balance, June 30, 2020	\$ 1,100,000	\$ 600,000

The liability is an estimate of claims at June 30, 2020 to be paid within the next fiscal year, therefore this is a current liability.

- C. Changes in Coverage and Claims Paid - Neither the Group Insurance Fund nor the Property and Casualty Fund had significant decreases in coverage from the prior year. The Group Insurance Fund has not paid claims that exceeded its insurance coverage for the past three years. The Property and Casualty Insurance Fund has not paid claims exceeding its insurance coverage during the year ended June 30, 2020; however, one claim exceeded its insurance coverage during the year ended June 30, 2019.

10. DEFINED BENEFIT PENSION PLAN

A. General Information About the Pension Plan

Plan Description – All full-time City employees and all City officials are eligible to participate in the Georgia Municipal Employees Benefit System (GMEBS) which is an agent multiple employer defined benefit pension plan administered by the Georgia Municipal Association which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the plan are established by state statute and city ordinance. The Georgia Municipal Association issues a publicly available annual report that includes financial statements and required supplementary information for the Georgia Municipal Employees Benefit System Retirement Trust. That report may be obtained by writing to Georgia Municipal Association, 201 Pryor Street, SW, Atlanta, Georgia 30303 or by calling 404/688-0472.

Benefits Provided – GMEBS provides service retirement, disability benefits and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with ten years of total service are eligible to retire at age 55 with enhanced early retirement reduced benefits. Members with five years of total service are eligible to retire at age 65 and with thirty years of total service are eligible to retire at age 55 with full retirement benefits.

CITY OF LAGRANGE, GEORGIA
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020
 (Continued)

Employees Covered – At June 30, 2020 the following employees were covered by the benefit terms for the plan:

Inactive employees or beneficiaries currently receiving benefits	251
Inactive employees entitled to but not yet receiving benefits	80
Active employees	389
Total	720

Contributions – The City’s employee’s participation is noncontributory. The City is subject to the minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). Policy set by the City for contributing the annual pension expense exceeds the minimum requirements. Employer contribution rates are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate.

The annual minimum contribution is the sum of 1) the normal cost (including administrative expenses), 2) the closed level dollar amortization of the unfunded actuarial accrued liability over a period that ranges from 10 to 30 years based on the funding policy adopted by the GMEBS Board of Trustees, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The total recommended contribution as a percentage of the expected payroll is 10.00% for June 30, 2020.

B. Net Pension Liability – The City’s net pension liability for the plan is measured as the total pension liability (TPL), less the pension plan’s fiduciary net position (FNP). The net pension liability of the plan is measured as of September 30, 2019, using an annual actuarial valuation as of January 1, 2020. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Valuation Date	January 1, 2020
Measurement Date	September 30, 2019
Actuarial Cost Method	Entry age normal
Amortization Method	Closed level dollar for remaining unfunded liability.
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years.
Asset Valuation Method	Sum of actuarial value at the beginning of the year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Discount Rate	7.375%
Inflation Rate	2.25%
Net investment rate of return	7.375%
Projected salary increase	2.25% plus service based merit increases
Cost of living adjustments	Not applicable
Postretirement benefit increase	Not applicable

The investment return and inflation assumptions used in the January 1, 2020 valuation were based on the results of an actuarial study conducted in November and December 2019. The underlying mortality assumptions and all other actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through June 30, 2019. Further details of the experience study can be obtained by contacting The Georgia Municipal Association. The General Fund has been used in prior years to liquidate the pension liabilities for the governmental funds.

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020
(Continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.375%. The discount rate has decreased 0.125% since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.41%
International equity	20%	6.96%
Real estate	10%	4.76%
Global fixed income	5%	3.06%
Domestic fixed income	20%	1.96%
Cash	0%	
Total	100%	

C. Changes in the Net Pension Liability

The changes in the Net Pension Liability for the plan are as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/Asset
Balances at September 30, 2018	\$ 53,842,666	\$ 41,819,561	\$ 12,023,105
Changes for the year:			
Service cost	599,482		599,482
Interest	3,971,716		3,971,716
Difference between expected and actual experience	446,629		446,629
Contributions - employer		2,395,939	(2,395,939)
Contributions - employee			-
Net investment income		1,223,468	(1,223,468)
Benefit payments, including refunds of employee contributions	(2,971,882)	(2,971,882)	-
Administrative expense		(69,344)	69,344
Other	3,126,328		3,126,328
Net changes	5,172,273	578,181	4,594,092
Balances at September 30, 2019	\$ 59,014,939	\$ 42,397,742	\$ 16,617,197

Sensitivity of the Net Pension Liability to changes in the discount rate is as follows:

1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
\$ 24,301,429	\$ 16,617,197	\$ 10,232,337

CITY OF LAGRANGE, GEORGIA
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020
 (Continued)

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2020, the City recognized pension expense of \$2,586,351. At June 30, 2020 the City reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 901,000	\$ 13,658
Pension contributions subsequent to measurement date	1,769,539	
Changes of assumptions	2,786,898	
Net difference between projected and actual earnings on pension plan investments		226,532
Total	\$ 5,457,437	\$ 240,190

\$1,769,539 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30			
2021			\$ (762,949)
2022			(720,419)
2023			(890,299)
2024			(1,074,041)
			\$ (3,447,708)

11. DEFINED CONTRIBUTION PLAN

The City has a defined contribution plan which is administered by Nationwide Retirement Services. The plan is a combined 457 plan and 401A plan. The City matches employee contributions on a 1:2 ratio up to a maximum of \$667 per year. During the year ended June 30, 2020, the City contributed \$178,633 and employees contributed \$586,463. Plan provisions and contribution requirements are established and amended by a resolution of the City Council. Employees are vested in the 401A plan upon two years of employment. For year ended June 30, 2020, 302 employees participated in the plan.

12. COMMITMENT AND CONTINGENCIES

Agreements with Municipal Electric Authority of Georgia - During 1976, the City, along with 45 other cities and one county, all political subdivisions of the State of Georgia, entered into a Power Sales Contract with the Municipal Electric Authority of Georgia, a public corporation and instrumentality of the State of Georgia.

Under the terms of the agreement, the Authority agrees to provide, and the cities are obligated to purchase, all of the cities' bulk power supply requirements for a period not to exceed 50 years. The cities have agreed to purchase all their future power and energy requirements in excess of that received by the cities through the Southeastern Power Administration at prices intended to cover the operating costs of the systems and to retire any debt incurred by the Authority. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each city has guaranteed a portion of the unpaid debt based on their individual entitlement shares of the output and services of generating units acquired or constructed by the Authority. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations.

At June 30, 2020, the outstanding debt of the Authority was approximately \$7.3 billion. The City's guarantee varies by individual projects undertaken by the Authority and totals approximately \$422 million at June 30, 2020.

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020
(Continued)

On April 1, 1999, the City approved a resolution adopting the provisions of the Municipal Competitive Trust (the "Trust"), which was created by MEAG for the mutual benefit of MEAG and its wholesale customers which have elected to become beneficiaries. The Trust was established to provide MEAG and the Trust's beneficiaries a means to mitigate the expected differential between market rates for power and the costs of power generated by MEAG facilities, after deregulation of the electric industry.

The Trust created two types of funds, which are held by MEAG in the name of the City. The first type represents amounts that are available to the City for withdrawal without restriction. The second type represents amounts that are available to the City in the form of a loan or as an off-set to billings from MEAG for power usage if certain criteria related to the difference between the cost of power generated by MEAG facilities and the market rates for power are met.

At June 30, 2020, \$21,744 has been placed into the Trust for the benefit of the City, of which \$21,744 is available without restriction and none of the balance is subject to restrictions.

The City is contingently liable as guarantor of a promissory note from the Development Authority of LaGrange to Synovus. The initial balance guaranteed was \$1,225,000 and the balance remaining at June 30, 2020 is \$787,673.

Various claims and lawsuits are pending against the City. Although the outcome of these lawsuits is not presently determinable, in the opinion of City management, after consultation with legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

13. JOINT VENTURES

Under Georgia Law, the City, in conjunction with other cities and counties in the five county west Georgia area, is a member of the Three Rivers Regional Commission (the "Commission") and is required to pay annual dues thereto. During the year ended June 30, 2020, the City paid \$30,291 in dues.

Membership in a regional commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the Commission in Georgia. The RC Board membership includes the chief elected official of each county and municipality in the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the Commission. Separate financial statements may be obtained from: Three Rivers Regional Commission, P.O. Box 1600, Franklin, Georgia 30217.

14. HOTEL / MOTEL LODGING TAX

During the year ended June 30, 2020, the City levied a 5% lodging tax and received \$2,466,784 for this tax. The Official Code of Georgia Annotated 48-13-50 requires that all lodging taxes levied in excess of 3% be expended or obligated contractually for the promotion of tourism, conventions or trade shows. Visit LaGrange has certified that the \$2,486,433 of lodging tax received from the City during the year ended June 30, 2020 was used for the promotion of tourism.

15. RELATED ORGANIZATION

The City's council is responsible for appointing a majority of the board members of the City of LaGrange Housing Authority. However, the City has no further accountability for the Authority.

16. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The General Fund reported material budget violations when expenditures of the primary government exceeded budgeted appropriations in some of the functions, as shown on page 17 and 18 of these financial statements. In future years, the City will analyze the budget periodically for deficiencies. All deficiencies will be investigated, and budget amendments will be adopted when appropriate.

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020
(Continued)

17. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. General Information About the OPEB Plan

Plan Description - The City of LaGrange OPEB Plan is a single-employer defined benefit plan for which no assets are accumulated in a trust meeting the criteria in GASBS No. 75 paragraph 4. This plan provides health and prescription drugs benefits to eligible retirees and their spouses. Retirees may choose which benefits administered by Taylor Benefits Resource, Inc. are desired. Retirees and spouses are eligible to participate in the Plan until age 65 or Medicare eligibility, whichever comes first. Participation in the Plan is voluntary. The City of Lagrange City Council has the authority to establish and amend benefit levels, contribution rates, and eligibility provisions of the Plan in accordance with council resolution adopted as in Personnel Policy 6.15 Retirement System. These benefit provisions and all other related Plan requirements are established annually by the City Council. The Plan does not issue a stand-alone financial report. The City's General Fund bears most of the administrative cost of the Plan. The Plan is actuarially evaluated every other year.

Benefits Provided – The City provides post-retirement healthcare insurance and prescription drug benefits to all employees who retire from the City and meet the eligibility requirements. To be eligible for benefits, members of the Plan must be retired, at least 55 years of age, and receiving a pension from GMA (the City's pension plan). The coverage only continues until age 65 or Medicare eligibility, whichever comes first.

Employees Covered - At January 1, 2019, the most recent valuation date, the following employees were covered by the benefit terms for the Plan:

Inactive employees currently receiving benefits	29
Inactive employees entitled to but not yet receiving benefits	-
Active employees	397
Total	426

Contributions – The City has not elected to advance fund the OPEB Plan, but rather maintains the OPEB Plan on a “pay-as-you-go” basis, in that claims are paid as they arise, rather than establishing an irrevocable trust to accumulate restricted funds. City Council has the authority to establish or amend requirements for the City to pay OPEB as the benefits come due. Contributions to the Plan are derived from two sources:

- Member contributions
- Employer contributions

Member contributions are made up of retiree and spouse contributions. Retiree and spouse contribution rates are set by the City Council. Monthly contributions of these plan members for the current fiscal year were as follows:

	15-20 Years of Service and Over Age 60	20-25 Years of Service	More Than 25 Years of Service
Healthcare:			
Single	\$ 359	\$ 287	\$ 180
Retiree and spouse	\$ 697	\$ 558	\$ 349

If less than 15 years of service and under age 60, then the employee would pay the entire COBRA rate.

Contributions paid by retirees in the current fiscal year totaled \$102,987.

The City contributes annually an amount equal to the pay-as-you-go cost of retiree benefits. For year ending June 30, 2020 the City contributed \$1,111,759 or 5.38% of the covered payroll for employees of \$20,679,445 under the Plan.

CITY OF LAGRANGE, GEORGIA
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020
 (Continued)

B. Total OPEB Liability – The City's total OPEB liability for the plan was measured as of June 30, 2019, using an actuarial valuation as of January 1, 2019. A summary of actuarial assumptions and methods used to determine the total OPEB liability is shown below.

Valuation Date	January 1, 2019
Measurement Date	June 30, 2019
Reporting Date	June 30, 2020
Actuarial Cost Method	Entry age level percent of pay
Amortization Method	Open 30 years, level percent of payroll
Remaining Amortization Period	30 years
Asset Valuation Method	Market value
Discount Rate	3.50%
Inflation Rate	2.25%
Healthcare cost trend rates	Medical: 7.00% trended down to 4.50% over 10 years Prescription drug: 7.00% trended down to 4.50% over 10 years
Payroll increases	2.25% plus service based merit increases
Salary increases	3.75% to 8.75%, including inflation
Health mortality rates	Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.
Changes of assumptions	The discount rate effective for June 30, 2019 was 3.50%, and effective for June 30, 2018 was 3.87%. Per capita health costs and trend rates were updated to reflect the most recent claims experience.
Benefit changes	There have been no benefit changes since GASBS No. 75 implementation.

The mortality tables in the January 1, 2019 valuation are adjusted from 2012 to future years with sex-distinct generational projection using 60% of the improvement rates used in the intermediate (alternative II) assumptions for projections in the 2019 OASDI Trustees Report. The General Fund has been used in prior years to liquidate the OPEB liabilities for the governmental funds.

The benefits valued in the actuarial valuation are limited to the terms of the substantive plan in effect at the time of the valuation and on the pattern of sharing costs between the employer and plan members. The projection of benefits is not limited by legal or contractual limits on funding the plan unless those limits clearly translate into benefit limits on the substantive plan being valued.

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020
(Continued)

Discount Rate – The discount rate used to measure the total OPEB liability was 3.50%. The discount rate was 3.87% as of the last measurement date, June 30, 2018.

Since the City funds this Plan on a pay-as-you-go basis, GASB requires the discount rate be based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). To comply with this requirement, the discount rate is based on an index of 20-year, tax-exempt general obligation bonds. The chosen rate of 3.50%, reflects the Bond Buyer 20-Bond GO Index rate published closest to, but not later than, the measurement date of June 30, 2019.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the City as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.50%) or one percentage point higher (4.50%) than the current rate. Also, shown is the total OPEB liability as if it were calculated using healthcare cost trend rates that were one percentage point lower or one percentage point higher than the current healthcare trend rates.

	1% Decrease in Discount Rate (2.50%)	Current Discount Rate (3.50%)	1% Increase in Discount Rate (4.50%)
Total OPEB Liability	\$ 16,190,351	\$ 14,493,185	\$ 13,014,015
	1% Decrease in Healthcare Cost Trend Rates (2.50%)	Current Healthcare Cost Trend Rate (3.50%)	1% Increase in Healthcare Cost Trend Rates (4.50%)
Total OPEB Liability	\$ 12,681,467	\$ 14,493,185	\$ 16,676,492

C. Changes in the Total OPEB Liability

The changes in the Total OPEB Liability for the plan are as follows:

	Total OPEB Liability
Balance at June 30, 2018	\$ 14,304,906
Changes for the year:	
Service cost	566,816
Interest	567,864
Change of benefit terms	-
Difference between expected and actual experience	617,966
Changes of assumptions	(1,167,899)
Benefit payments, including refunds of member contributions	(396,468)
Net changes	188,279
Balance at June 30, 2019	\$ 14,493,185

CITY OF LAGRANGE, GEORGIA
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2020
 (Continued)

D. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the City recognized OPEB expense of \$264,160. At June 30, 2020 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 549,304	\$ 172,656
OPEB contributions subsequent to measurement date	1,111,759	
Changes of assumptions		1,922,118
Total	\$ 1,661,063	\$ 2,094,774

\$1,111,759 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30		
2021		\$ 308,068
2022		308,068
2023		308,068
2024		308,068
2025		129,886
2026, and thereafter		183,312
		\$ 1,545,470

18. FUND BALANCES

On the Statement of Revenues, Expenditures, and Changes in Fund Balances, the SPLOST fund has a negative balance of \$1,365,732. Also, on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances for nonmajor governmental funds the Capital Project Fund has a negative balance of \$132,260 and the Tax Allocation Fund - Marriott has a negative balance of \$2,346,984. The City plans to liquidate the negative balance by containing operating costs.

19. RECLASSIFICATION OF COMPONENT UNIT

For fiscal year ending June 30, 2019, the Downtown Development Authority was reported as a discretely presented component unit in the City's government-wide financial statements. Because the City is responsible for the Authority's support and the Authority provides services almost entirely to the City, the Downtown Development Authority is now reported as a blended component unit effective for fiscal year ending June 30, 2020. The June 30, 2019 net position of \$4,017,325 which was previously reported on the government-wide statements has been reclassified as follows:

- To increase the net position at beginning of year, business-type activities on the Statement of Activities.
- Net position at beginning of year, business-type activities (non-major enterprise fund) on the Statement of Revenues, Expenses, and Changes in Fund Net Position for Proprietary Funds.

20. SUBSEQUENT EVENTS

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which have the potential to negatively impact values of the retirement plan investments and related earnings. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. However, the duration and related financial impact cannot be reasonably estimated at this time.



LAGRANGE
GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LAGRANGE, GEORGIA
 SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
 DEFINED BENEFIT PENSION PLAN
 Year Ended June 30, 2020

	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	\$ 599,482	\$ 675,133	\$ 606,810	\$ 566,691	\$ 601,117	\$ 576,632
Interest	3,971,716	3,811,600	3,689,948	3,467,194	3,246,447	3,069,127
Difference between expected and actual experience	446,629	588,937	(34,143)	1,246,142	1,221,867	894,970
Changes of assumptions	3,034,773	-	897,697	-	-	(190,059)
Changes of benefit terms	91,555	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(2,971,882)	(2,758,396)	(2,494,300)	(2,317,271)	(2,124,885)	(2,000,469)
Net change in total pension liability	5,172,273	2,317,274	2,666,012	2,962,756	2,944,546	2,350,201
Total pension liability - beginning	53,842,666	51,525,392	48,859,380	45,896,624	42,952,078	40,601,877
Total pension liability - ending	59,014,939	53,842,666	51,525,392	48,859,380	45,896,624	42,952,078
Plan fiduciary net position						
Contributions:						
Employer	2,395,939	2,365,708	2,248,158	2,119,251	1,967,135	1,850,496
Employee	-	-	-	-	-	-
Net investment income	1,223,468	3,788,480	5,053,361	3,396,335	353,223	3,132,262
Benefit payments, including refunds of employee contributions	(2,971,882)	(2,758,396)	(2,494,300)	(2,317,271)	(2,124,885)	(2,000,469)
Administrative expense	(69,344)	(72,327)	(74,652)	(44,222)	(49,424)	(38,786)
Other	-	-	-	-	-	-
Net change in plan fiduciary net position	578,181	3,323,465	4,732,567	3,154,093	146,049	2,943,503
Plan fiduciary net position - beginning	41,819,561	38,496,096	33,763,529	30,609,436	30,463,387	27,519,884
Plan fiduciary net position - ending	42,397,742	41,819,561	38,496,096	33,763,529	30,609,436	30,463,387
Net pension liability - ending	\$ 16,617,197	\$ 12,023,105	\$ 13,029,296	\$ 15,095,851	\$ 15,287,188	\$ 12,488,691
Plan fiduciary net position as a % of total pension liability	71.84%	77.67%	74.71%	69.10%	66.69%	70.92%
Covered payroll	\$ 20,679,445	\$ 20,614,975	\$ 19,251,719	\$ 19,666,770	\$ 18,344,451	\$ 18,116,297
Net pension liability as a % of covered payroll	80.36%	58.32%	67.68%	76.76%	83.33%	68.94%
Changes in assumptions						

In 2015, amounts reported as changes in assumptions resulted primarily from adjustments made based on an actuarial experience study covering the period January 1, 2010 to June 30, 2014. The City implemented GASB 68 for the fiscal year ended June 30, 2015.

In 2018, amounts reported as changes in assumptions resulted from adjustments based on an actuarial study conducted in September 2017. These adjustments included a decrease in the investment return assumption from 7.75% to 7.50%, and a decrease in the inflation assumption from 3.25% to 2.75%.

In 2020, amounts reported as changes in assumptions resulted from adjustments based on an experience study for the period January 1, 2015 through June 30, 2019.

In time this schedule will present the required ten years of data.

CITY OF LAGRANGE, GEORGIA
 SCHEDULE OF CONTRIBUTIONS
 DEFINED BENEFIT PENSION PLAN
 Year Ended June 30, 2020

	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 2,359,385	\$ 2,408,124	\$ 2,351,569	\$ 2,213,688	\$ 2,080,493	\$ 1,929,349
Contributions in relation to actuarially determined contribution	\$ 2,359,385	\$ 2,408,124	\$ 2,351,569	\$ 2,213,688	\$ 2,085,952	\$ 1,929,349
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ 5,459	\$ -
Covered payroll	\$ 23,588,951	\$ 23,103,423	\$ 22,517,609	\$ 22,088,302	\$ 21,792,805	\$ 20,454,970
Contributions as a percentage of covered payroll	10.00%	10.42%	10.44%	10.02%	9.57%	9.43%

The City implemented GASB 68 for the fiscal year ended June 30, 2015. In time, this schedule will present the required ten years of data.

CITY OF LAGRANGE, GEORGIA
 SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY
 OTHER POST-EMPLOYMENT BENEFITS PLAN
 Year Ended June 30, 2020

	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 566,816	\$ 570,148	\$ 652,817
Interest	567,864	518,765	431,222
Change of benefit terms	-	-	-
Differences between expected and actual experience	617,966	(85,513)	(195,255)
Changes of assumptions	(1,167,899)	(395,962)	(1,052,013)
Benefit payments, including refunds of member contributions	(396,468)	(446,057)	(342,027)
Net change in Total OPEB Liability	188,279	161,381	(505,256)
Total OPEB Liability - beginning	14,304,906	14,143,525	14,648,781
Total OPEB Liability - ending	<u>\$ 14,493,185</u>	<u>\$ 14,304,906</u>	<u>\$ 14,143,525</u>
Covered employee payroll	\$ 20,679,445	\$ 19,975,967	\$ 19,347,185
Plan Total OPEB Liability as a percentage of covered employee payroll	70.08%	71.61%	73.10%

Notes to Schedule:

Benefit changes: There have been no benefit changes since GASB 75 implementation.

Changes of assumptions: The discount rate effective for June 30, 2017 was 3.58%, and effective for June 30, 2018 was 3.87%.
 The discount rate effective for June 30, 2019 was 3.50%

For June 30, 2020 per capita health costs and trend rates were updated to reflect the most recent claims experience.

No assets related to the OPEB plan are accumulated in a trust meeting the criteria in GASBS No. 75, paragraph 4, to pay related benefits.

The City implemented GASB 75 for the first time beginning with the fiscal year ended June 30, 2018. In time, this schedule will present the required ten years of data.

SUPPLEMENTARY INFORMATION



LAGRANGE
GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

Capital Projects Funds - Capital projects funds account for the accumulation of resources and the subsequent disbursements of such resources in obtaining or renovating major capital assets (other than those financed by the Enterprise Funds).

- **Capital Projects Fund:** This fund accounts for the accumulation of resources and the subsequent disbursement of such resources in obtaining or renovating major capital assets (other than those financed by the Enterprise Funds).

Special Revenue Funds - Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for a particular purposes. They are as follows:

- **Community Development Fund:** This fund is used to account for the financial activity related to loans and notes advanced to private third parties for community development projects.
- **Hotel/Motel Tax Fund:** This fund is used to account for the City's share of hotel/motel tax revenues that are legally restricted to promote tourism, conventions, and trade shows.
- **Grant Fund:** This fund is used to account for certain grant activity that is legally restricted for particular purposes or required by state law to be presented as a special revenue fund.
- **Tax Allocation Fund – LaGrange Mall:** This fund is used to account for activity related to the rebate of annual incremental property tax revenue derived from the increase in property taxes generated by new development in a designated redevelopment area to be used for specified redevelopment costs.
- **Tax Allocation Fund – Marriott:** This fund is used to account for resources devoted to construction of capital improvements in a district located in the City's downtown. Incremental property tax revenues derived from the increase in market values of property located within the district will be devoted to capital improvements.

CITY OF LAGRANGE, GEORGIA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2020

	Special Revenue							Total Nonmajor Governmental Funds
	Capital Projects Fund	Community Development Fund	Hotel/Motel Tax Fund	Grant Fund	Tax Allocation Fund- LaGrange Mall	Tax Allocation Fund- Marriott		
<u>ASSETS</u>								
Cash and cash equivalents	\$ 167,740	\$ 13,678		\$ 20	\$ 70		\$ 181,508	
Investments		727,475					727,475	
Total assets	\$ 167,740	\$ 741,153	\$ -	\$ 20	\$ 70		\$ 908,983	
<u>LIABILITIES AND FUND BALANCE</u>								
Liabilities:								
Accounts payable	\$ 300,000	\$ 270		\$ 20			\$ 300,020	
Due to other funds					\$ 2,347,054		2,347,054	
Advances from other funds					2,347,054		2,647,344	
Total liabilities	300,000	270		20	2,347,054		2,647,344	
Fund balance:								
Restricted for:								
Community development	(132,260)	740,883			(2,346,984)		740,883	
Unassigned	(132,260)	740,883			(2,346,984)		(1,738,361)	
Total fund balance	\$ 167,740	\$ 741,153	\$ -	\$ 20	\$ 70		\$ 908,983	
Total liabilities and fund balance	\$ 167,740	\$ 741,153	\$ -	\$ 20	\$ 70		\$ 908,983	

CITY OF LAGRANGE, GEORGIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2020

	Capital Projects		Special Revenue				Total Nonmajor Governmental Funds
	Capital Projects Fund	Community Development Fund	Hotel/Motel Tax Fund	Grant Fund	Tax Allocation Fund- LaGrange Mall	Tax Allocation Fund- Marriott	
Revenues:							
Hotel/Motel tax	\$ 764,578	\$ 77,600	\$ 2,634,225				\$ 2,634,225
Rental income					\$ 146,813		842,178
Intergovernmental	1,728	38,632					146,813
Investment income	265,959	11,764				\$ 124,223	40,360
Miscellaneous	1,032,265	127,996	2,634,225	\$	146,813	124,223	401,946
Total revenues				\$			4,065,522
Expenditures:							
Current:							
Community development		64,223	1,500,701		146,813		1,711,737
Redevelopment and housing		206,000					206,000
Debt service:							
Principal retirement	647,644		350,000				997,644
Interest and fees	170,194		635,731				805,925
Capital outlay:							
Community development	116,467						116,467
Total expenditures	934,305	270,223	2,486,432		146,813		3,837,773
Excess of revenues over (under) expenditures	97,960	(142,227)	147,793			124,223	227,749
Other financing sources (uses):							
Transfers in	165,000		2,486,433				2,651,433
Transfers out	(188,000)		(2,634,226)				(2,822,226)
Total other financing sources	(23,000)		(147,793)				(170,793)
Net change in fund balance	74,960	(142,227)				124,223	56,956
Fund balance, beginning of year	(207,220)	883,110				(2,471,207)	(1,795,317)
Fund balance, end of year	\$ (132,260)	\$ 740,883	\$	\$	\$	\$ (2,346,984)	\$ (1,738,361)

CITY OF LAGRANGE, GEORGIA
 CAPITAL PROJECTS FUND
 COMPARATIVE BALANCE SHEETS
 June 30, 2020 and 2019

	2020	2019
<u>ASSETS</u>		
Cash	\$ 167,740	\$ 333,816
Total assets	\$ 167,740	\$ 333,816
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable		\$ 3,036
Due to other funds	\$ 300,000	538,000
Total liabilities	300,000	541,036
Fund balance:		
Restricted for:		
Capital projects		
Unassigned	(132,260)	(207,220)
Total fund balance	(132,260)	(207,220)
Total liabilities and fund balance	\$ 167,740	\$ 333,816

CITY OF LAGRANGE, GEORGIA
 CAPITAL PROJECTS FUND
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 Years Ended June 30, 2020 and 2019

	2020	2019
Revenues:		
Rental income	\$ 764,578	\$ 844,306
Interest	1,728	1,342
Miscellaneous	265,959	132,355
Total revenues	1,032,265	978,003
Expenditures:		
Debt service:		
Principal retirement	647,644	637,676
Interest and fees	170,194	182,396
Capital outlay:		
General government		487,627
Community development	116,467	
Total expenditures	934,305	1,307,699
Excess of revenues over (under) expenditures	97,960	(329,696)
Other financing sources (uses):		
Transfers in	165,000	130,000
Transfers out	(188,000)	(188,000)
Total other financing sources (uses)	(23,000)	(58,000)
Net change in fund balance	74,960	(387,696)
Fund balance, beginning of year	(207,220)	180,476
Fund balance, end of year	\$ (132,260)	\$ (207,220)

CITY OF LAGRANGE, GEORGIA
COMMUNITY DEVELOPMENT FUND
COMPARATIVE BALANCE SHEETS
June 30, 2020 and 2019

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 13,678	\$ 41,041
Investments	<u>727,475</u>	<u>843,952</u>
Total assets	<u>\$ 741,153</u>	<u>\$ 884,993</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	<u>\$ 270</u>	<u>\$ 1,883</u>
Total liabilities	<u>270</u>	<u>1,883</u>
Fund balance:		
Restricted for:		
Community development	<u>740,883</u>	<u>883,110</u>
Total fund balance	<u>740,883</u>	<u>883,110</u>
Total liabilities and fund balance	<u>\$ 741,153</u>	<u>\$ 884,993</u>

CITY OF LAGRANGE, GEORGIA
COMMUNITY DEVELOPMENT FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Years Ended June 30, 2020 and 2019

	2020	2019
Revenues:		
Rental income	\$ 77,600	\$ 84,600
Investment income	38,632	41,037
Miscellaneous	11,764	4,839
Total revenues	127,996	130,476
Expenditures:		
Current:		
Community development	64,223	74,945
Redevelopment and housing	206,000	206,000
Total expenditures	270,223	280,945
Excess of revenues over (under) expenditures	(142,227)	(150,469)
Net change in fund balance	(142,227)	(150,469)
Fund balance, beginning of year	883,110	1,033,579
Fund balance, end of year	\$ 740,883	\$ 883,110

CITY OF LAGRANGE, GEORGIA
COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended June 30, 2020

	Original and Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Rental income	\$ 84,600	\$ 77,600	\$ (7,000)
Investment income	12,000	38,632	26,632
Miscellaneous	1,000	11,764	10,764
	<u>97,600</u>	<u>127,996</u>	<u>30,396</u>
Total revenues			
Expenditures:			
Current:			
Community development	77,100	64,223	12,877
Redevelopment and housing	206,000	206,000	-
	<u>283,100</u>	<u>270,223</u>	<u>12,877</u>
Total expenditures			
Excess of revenue over (under) expenditures	<u>(185,500)</u>	<u>(142,227)</u>	<u>43,273</u>
Net change in fund balance	(185,500)	(142,227)	43,273
Fund balance, beginning of year	<u>883,110</u>	<u>883,110</u>	<u>-</u>
Fund balance, end of year	<u>\$ 697,610</u>	<u>\$ 740,883</u>	<u>\$ 43,273</u>

CITY OF LAGRANGE, GEORGIA
HOTEL/MOTEL TAX FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Years Ended June 30, 2020 and 2019

	2020	2019
Revenues:		
Hotel/Motel tax	\$ 2,634,225	\$ 3,526,384
Total revenues	2,634,225	3,526,384
Expenditures:		
Current:		
Community development	1,500,701	1,688,515
Debt service:		
Principal retirements	350,000	335,000
Interest and fees	635,731	652,981
Total expenditures	2,486,432	2,676,496
Excess of revenues over (under) expenditures	147,793	849,888
Other financing sources (uses):		
Transfers in	2,486,433	2,676,497
Transfers out	(2,634,226)	(3,881,571)
Total other financing sources (uses)	(147,793)	(1,205,074)
Net change in fund balance	-	(355,186)
Fund balance, beginning of year	-	355,186
Fund balance, end of year	\$ -	\$ -

CITY OF LAGRANGE, GEORGIA
HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended June 30, 2020

	<u>Original and Final Budgeted Amount</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Hotel/Motel tax	\$ 3,400,000	\$ 2,634,225	\$ (765,775)
Total revenues	<u>3,400,000</u>	<u>2,634,225</u>	<u>(765,775)</u>
Expenditures:			
Current:			
Community development	1,874,000	1,500,701	373,299
Debt service:			
Principal retirements	350,000	350,000	-
Interest and fees	635,731	635,731	-
Total expenditures	<u>2,859,731</u>	<u>2,486,432</u>	<u>373,299</u>
Excess of revenue over (under) expenditures	<u>540,269</u>	<u>147,793</u>	<u>(392,476)</u>
Other financing sources (uses):			
Transfers in	2,859,731	2,486,433	(373,298)
Transfers out	<u>(3,400,000)</u>	<u>(2,634,226)</u>	<u>765,774</u>
Total other financing sources (uses)	<u>(540,269)</u>	<u>(147,793)</u>	<u>392,476</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LAGRANGE, GEORGIA
 GRANT FUND
 COMPARATIVE BALANCE SHEETS
 June 30, 2020 and 2019

	2020	2019
<u>ASSETS</u>		
Cash	\$ 20	-
Total assets	\$ 20	\$ -
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Due to other funds	\$ 20	-
Total liabilities	20	\$ -
Fund balance:		
Unassigned	-	-
Total fund balance	-	-
Total liabilities and fund balance	\$ 20	\$ -

CITY OF LAGRANGE, GEORGIA
 GRANT FUND
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 Years Ended June 30, 2020 and 2019

	2020	2019
Revenues:		
Intergovernmental	\$ -	\$ -
Total revenues	-	-
Expenditures:		
Current:		
Redevelopment and housing	-	-
Total expenditures	-	-
Excess of revenue over (under) expenditures	-	-
Net change in fund balance	-	-
Fund balance, beginning of year		
Fund balance, end of year	\$ -	\$ -

CITY OF LAGRANGE, GEORGIA
 GRANT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 Year Ended June 30, 2020

	Original and Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ -	\$ -	\$ -
Total revenues	-	-	-
Expenditures:			
Current:			
Redevelopment and housing	-	-	-
Total expenditures	-	-	-
Excess of revenue over (under) expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balance, beginning of year			-
Fund balance, end of year	\$ -	\$ -	\$ -

CITY OF LAGRANGE, GEORGIA
TAX ALLOCATION FUND-LAGRANGE MALL
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Years Ended June 30, 2020 and 2019

	2020	2019
Revenues:		
Intergovernmental	\$ 146,813	\$ 202,382
Total revenues	146,813	202,382
Expenditures:		
Current:		
Community development	146,813	202,382
Total expenditures	146,813	202,382
Excess of revenue over (under) expenditures	-	-
Net change in fund balance	-	-
Fund balance, beginning of year		
Fund balance, end of year	\$ -	\$ -

CITY OF LAGRANGE, GEORGIA
TAX ALLOCATION FUND-LAGRANGE MALL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended June 30, 2020

	Original and Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 147,000	\$ 146,813	\$ (187)
Total revenues	<u>147,000</u>	<u>146,813</u>	<u>(187)</u>
Expenditures:			
Current:			
Community development	147,000	146,813	187
Total expenditures	<u>147,000</u>	<u>146,813</u>	<u>187</u>
Excess of revenue over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LAGRANGE, GEORGIA
TAX ALLOCATION FUND-MARRIOTT
COMPARATIVE BALANCE SHEETS
June 30, 2020 and 2019

	2020	2019
<u>ASSETS</u>		
Cash	\$ 70	\$ 70
Total assets	\$ 70	\$ 70
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Advances from other fund:	\$ 2,347,054	\$ 2,471,277
Total liabilities	2,347,054	2,471,277
Fund balance:		
Unassigned	(2,346,984)	(2,471,207)
Total fund balance	(2,346,984)	(2,471,207)
Total liabilities and fund balance	\$ 70	\$ 70

CITY OF LAGRANGE, GEORGIA
TAX ALLOCATION FUND-MARRIOTT
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Years Ended June 30, 2020 and 2019

	2020	2019
Revenues:		
Miscellaneous	\$ 124,223	\$ 124,219
Total revenues	124,223	124,219
Expenditures:		
Current:		
Community development	-	-
Total expenditures	-	-
Excess of revenue over (under) expenditures	124,223	124,219
Net change in fund balance	124,223	124,219
Fund balance, beginning of year	(2,471,207)	(2,595,426)
Fund balance, end of year	\$ (2,346,984)	\$ (2,471,207)

CITY OF LAGRANGE, GEORGIA
TAX ALLOCATION FUND-MARRIOTT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended June 30, 2020

	Original and Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Miscellaneous	\$ 125,000	\$ 124,223	\$ (777)
Total revenues	<u>125,000</u>	<u>124,223</u>	<u>(777)</u>
Expenditures:			
Current:			
Community development	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenue over (under) expenditures	<u>125,000</u>	<u>124,223</u>	<u>(777)</u>
Net change in fund balance	125,000	124,223	(777)
Fund balance, beginning of year	<u>(2,471,207)</u>	<u>(2,471,207)</u>	<u>-</u>
Fund balance, end of year	<u>\$ (2,346,207)</u>	<u>\$ (2,346,984)</u>	<u>\$ (777)</u>

MAJOR GOVERNMENTAL FUNDS

General Fund - This fund accounts for resources traditionally associated with governments which are not required to be accounted for in another fund.

SPLOST Fund - This fund is used to account for the City's portion of SPLOST funds received from the County for the purpose of improvement or acquisition of assets and infrastructure.

CITY OF LAGRANGE, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
June 30, 2020 and 2019

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 407,154	\$ 81,141
Investments	6,410	1,019,220
Receivables:		
Taxes	1,331,397	1,562,569
Other	9,551	9,551
Inventory	165,344	170,003
Restricted cash and cash equivalents	421,235	505,729
Restricted investments	870,313	1,002,897
Total assets	<u>\$ 3,211,404</u>	<u>\$ 4,351,110</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 536,118	\$ 568,031
Due to other funds	1,362,000	372,000
Accrued liabilities	230,735	110,060
Unearned revenue	647,177	81,358
Total liabilities	<u>2,776,030</u>	<u>1,131,449</u>
Fund balance:		
Nonspendable:		
Inventory	165,344	170,003
Assigned for:		
Public safety	12,540	7,000
Restricted for:		
Perpetual care	874,680	860,384
Public safety	85,288	60,963
Community development	81,042	50,339
Debt service	237,997	383,060
Unassigned	(1,021,517)	1,687,912
Total fund balance	<u>435,374</u>	<u>3,219,661</u>
Total liabilities and fund balance	<u>\$ 3,211,404</u>	<u>\$ 4,351,110</u>

CITY OF LAGRANGE, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Years Ended June 30, 2020 and 2019

	2020	2019
Revenues:		
Taxes:		
Sales	\$ 5,349,061	\$ 5,750,141
Franchise	1,144,431	1,130,709
Insurance premium	2,236,482	2,110,111
Alcoholic beverage	720,255	760,968
Ad valorem	574,374	480,732
Other	791,308	788,464
Licenses and permits	259,051	276,267
Intergovernmental	271,653	708,006
Fines and forfeitures	803,272	1,037,600
Garage charges	809,000	1,044,834
Charges for services	343,663	294,682
Investment income	45,278	58,258
Miscellaneous	88,591	359,303
Total revenues	<u>13,436,419</u>	<u>14,800,075</u>
Expenditures:		
Current:		
General government	3,333,594	3,096,624
Public safety	18,893,216	17,766,922
Public service	2,955,747	2,780,224
Culture and recreation	1,620,773	1,467,014
Community development	1,555,926	1,930,808
Telecommunications	477,190	460,021
Debt service:		
Principal retirement	590,555	403,506
Interest and fees	2,434	30,198
Capital outlay:		
General government	54,688	159,248
Public safety	173,447	944,106
Public service	226,957	671,750
Culture and recreation	239,190	80,891
Total expenditures	<u>30,123,717</u>	<u>29,791,312</u>
Excess of expenditures over (under) revenues	<u>(16,687,298)</u>	<u>(14,991,237)</u>
Other financing sources (uses):		
Sale of capital assets	30,135	11,621
Capital lease	625,083	213,418
Transfers in	15,734,226	17,781,571
Transfers out	(2,486,433)	(2,676,497)
Total other financing sources (uses)	<u>13,903,011</u>	<u>15,330,113</u>
Net change in fund balance	(2,784,287)	338,876
Fund balance, beginning of year	<u>3,219,661</u>	<u>2,880,785</u>
Fund balance, end of year	<u>\$ 435,374</u>	<u>\$ 3,219,661</u>

CITY OF LAGRANGE, GEORGIA
 SPLOST FUND
 COMPARATIVE BALANCE SHEETS
 June 30, 2020 and 2019

	2020	2019
<u>ASSETS</u>		
Cash and cash equivalents	\$ 509,073	\$ 376,215
Receivables:		
Intergovernmental	759,948	691,850
Total assets	\$ 1,269,021	\$ 1,068,065
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 246,753	\$ 634,124
Due to other funds	2,388,000	650,000
Total liabilities	2,634,753	1,284,124
Fund balance:		
Restricted for capital project		
Unassigned	(1,365,732)	(216,059)
Total fund balance	(1,365,732)	(216,059)
Total liabilities and fund balance	\$ 1,269,021	\$ 1,068,065

CITY OF LAGRANGE, GEORGIA
 SPLOST FUND
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Revenues:		
Intergovernmental	\$ 4,622,567	\$ 4,194,143
Grants and subsidies	500,000	
Investment income (loss)	469	3,780
Total revenues	<u>5,123,036</u>	<u>4,197,923</u>
Expenditures:		
Capital outlay:		
Public safety	2,632,813	1,235,688
Public service	938,768	1,697,009
Community development	2,701,128	3,598,723
Total expenditures	<u>6,272,709</u>	<u>6,531,420</u>
Excess of revenues over (under) expenditures	<u>(1,149,673)</u>	<u>(2,333,497)</u>
Net change in fund balance	(1,149,673)	(2,333,497)
Fund balance, beginning of year	<u>(216,059)</u>	<u>2,117,438</u>
Fund balance, end of year	<u>\$ (1,365,732)</u>	<u>\$ (216,059)</u>



LAGRANGE
GEORGIA

MAJOR ENTERPRISE FUNDS

Utility Fund - This fund accounts for the provision of utility services to the residents of the City and some residents of the County. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, financing and related debt service, and billing and collection.

Water and Sewerage Fund - This fund accounts for the operation of the City's water and sewerage activities.

Sanitation Fund - This fund accounts for the operation of the City's solid waste disposal activities

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2020 and 2019

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
Current assets:		
Cash and cash equivalents	\$ 9,224,144	\$ 2,335,367
Investments	22,345,252	25,913,015
Receivables:		
Accounts	7,810,028	9,343,283
Due from other funds	2,122,000	1,360,000
Prepays	54,761	55,023
Inventory	1,531,513	1,318,144
Total current assets	<u>43,087,698</u>	<u>40,324,832</u>
Noncurrent assets:		
Capital assets, not being depreciated	1,574,303	1,574,303
Capital assets, being depreciated	32,372,037	34,060,262
Advances to other funds	2,347,054	2,471,277
Total noncurrent assets	<u>36,293,394</u>	<u>38,105,842</u>
 Total assets	 <u>79,381,092</u>	 <u>78,430,674</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pensions:		
Difference between expected and actual experience	171,190	212,149
Changes of assumptions	529,511	96,466
Contributions after measurement date	336,215	323,471
Other post-employment benefits:		
Difference between expected and actual experience	104,367	
Contributions after measurement date	211,234	71,008
 Total deferred outflows of resources	 <u>1,352,517</u>	 <u>703,094</u>

(Continued...)

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2020 and 2019
(Continued)

	2020	2019
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	3,728,402	3,693,076
Customer deposits	2,458,351	2,312,609
Accrued liabilities	74,064	37,072
Accrued compensated absences	93,516	86,031
Unearned revenue	1,203,915	1,458,151
Capital leases, current	158,893	278,409
Intergovernmental agreement payable, current	310,000	295,000
Liabilities payable from restricted assets:		
Accrued interest payable	46,216	45,599
Revenue bonds, current	940,000	910,000
Total current liabilities	9,013,357	9,115,947
Noncurrent liabilities:		
Compensated absences	140,273	129,047
Revenue bonds, long-term	3,010,000	3,950,000
Capital leases, long-term	331,046	489,939
Intergovernmental agreement payable, long-term	1,780,000	2,090,000
Advances from other funds	617,210	722,810
Net OPEB liability	2,753,705	2,562,008
Net pension liability	3,157,267	2,153,339
Total noncurrent liabilities	11,789,501	12,097,143
Total liabilities	20,802,858	21,213,090
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Pensions:		
Difference between expected and actual experience	2,596	3,669
Net difference between projected and actual earnings on investments	43,041	397,227
Other post-employment benefits:		
Difference between expected and actual experience	32,805	38,107
Changes of assumptions	365,202	195,369
Total deferred outflows of resources	443,644	634,372
<u>NET POSITION</u>		
Net investment in capital assets	29,506,401	30,006,216
Unrestricted	29,980,706	27,280,090
Total net position	\$ 59,487,107	\$ 57,286,306

CITY OF LAGRANGE, GEORGIA
 UTILITY FUND
 COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating revenues:		
Gas system	\$ 12,394,141	\$ 14,689,323
Electric system	47,747,760	51,595,928
Telecommunications	3,421,210	3,376,166
Other sales	570,666	631,073
	<u>64,133,777</u>	<u>70,292,490</u>
Total operating revenues		
Operating expenses:		
Gas system	7,645,833	10,646,172
Electric system	42,106,089	45,676,473
Telecommunications	3,107,134	2,772,582
Depreciation	2,340,428	2,317,528
	<u>55,199,484</u>	<u>61,412,755</u>
Total operating expenses		
Operating income	<u>8,934,293</u>	<u>8,879,735</u>
Nonoperating revenues (expenses):		
Investment income	1,191,821	1,084,801
Gain (loss) on sale of assets	4,265	11,448
Interest expense	(277,395)	(312,393)
	<u>918,691</u>	<u>783,856</u>
Total nonoperating revenues (expenses)		
Net income before transfers	9,852,984	9,663,591
Transfers in	2,932,822	2,547,395
Transfers out	<u>(10,585,005)</u>	<u>(10,107,292)</u>
Change in net position	2,200,801	2,103,694
Net position, beginning of year	<u>57,286,306</u>	<u>55,182,612</u>
Net position, end of year	<u>\$ 59,487,107</u>	<u>\$ 57,286,306</u>

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Cash received from customers and users	\$ 64,796,538	\$ 67,770,014
Cash paid to employees	(3,467,348)	(3,717,610)
Cash paid to suppliers	(49,158,312)	(54,947,084)
Net cash provided (used) by operating activities	12,170,878	9,105,320
Cash flows from noncapital financing activities:		
Repayment of advance to (from) other funds	(105,600)	(100,331)
Advances to other funds	124,223	124,219
Transfers in	2,932,822	2,547,395
Transfers out	(10,585,005)	(10,107,292)
Net cash provided (used) by noncapital financing activities	(7,633,560)	(7,536,009)
Cash flows from capital and related financing activities:		
Principal payments on revenue bonds	(910,000)	(880,000)
Proceeds from sale of assets	4,265	11,448
Acquisition of capital assets	(652,203)	(1,048,097)
Capital lease payments	(278,409)	(286,720)
Payments on intergovernmental agreement	(295,000)	(285,000)
Interest paid	(276,778)	(379,530)
Net cash provided (used) by capital and related financing activities	(2,408,125)	(2,867,899)
Cash flows from investing activities:		
Sale (purchase) of investments	3,567,763	(1,777,907)
Investment income	1,191,821	1,084,801
Net cash provided (used) by investing activities	4,759,584	(693,106)
Net increase (decrease) in cash	6,888,777	(1,991,694)
Cash, beginning of year	2,335,367	4,327,061
Cash, end of year	\$ 9,224,144	\$ 2,335,367

(Continued...)

CITY OF LAGRANGE, GEORGIA
 UTILITY FUND
 COMPARATIVE STATEMENTS OF CASH FLOWS
 Years Ended June 30, 2020 and 2019
 (Continued)

	2020	2019
Cash flows from operating activities:		
Operating income (loss)	\$ 8,934,293	\$ 8,879,735
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,340,428	2,317,528
Changes in operating assets and liabilities:		
Accounts receivable	1,533,255	(136,432)
Inventory	(213,369)	(137,400)
Prepaid expense	262	(6,403)
Accounts payable	35,326	(46,768)
Accrued vacation	18,711	21,881
Due from other funds	(762,000)	(1,260,000)
Due to other funds		(35,000)
Unearned revenue	(254,236)	(1,213,228)
Other accrued expenses	36,992	(28,550)
Customer deposits	145,742	122,184
Net OPEB liability	111,635	437,136
Net pension liability	243,839	190,637
	\$ 12,170,878	\$ 9,105,320

Supplemental disclosure of non-cash investing and financing activities:

In 2020 and 2019, the City incurred debt of \$0 and \$224,214, respectively, in the form of capital leases in connection with the acquisition of new equipment.

CITY OF LAGRANGE, GEORGIA
 UTILITY FUND
 SCHEDULE OF OPERATING INCOME
 Year Ended June 30, 2020

	<u>Gas System</u>	<u>Electric System</u>	<u>Telecom- municatons</u>	<u>Total</u>
Operating revenues	<u>\$ 12,660,263</u>	<u>\$ 48,052,304</u>	<u>\$ 3,421,210</u>	<u>\$ 64,133,777</u>
Operating expenses:				
Electricity and natural gas purchase	5,689,228	36,073,603		41,762,831
Depreciation	1,102,648	773,036	464,744	2,340,428
Other operating	1,956,605	6,032,486	3,107,134	11,096,225
	<u>8,748,481</u>	<u>42,879,125</u>	<u>3,571,878</u>	<u>55,199,484</u>
Operating income	<u>\$ 3,911,782</u>	<u>\$ 5,173,179</u>	<u>\$ (150,668)</u>	<u>\$ 8,934,293</u>

CITY OF LAGRANGE, GEORGIA
 UTILITY FUND
 SCHEDULE OF CHANGES IN UTILITY PLANT IN SERVICE
 Year Ended June 30, 2020

	Historical Cost				Allowance of Depreciation				Net Asset Value
	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020	Balance June 30, 2019	Expenses	Deletions	Balance June 30, 2020	
Gas system	\$ 34,434,141	\$ 156,450	\$ (30,223)	\$ 34,560,368	\$ (17,130,480)	\$ (1,102,648)	\$ 30,223	\$ (18,202,905)	\$ 16,357,463
Electric system	25,267,310	103,023	(10,455)	25,359,878	(13,716,659)	(773,036)	10,455	(14,479,240)	10,880,638
Telecommunications	12,125,924	392,730		12,518,654	(5,345,671)	(464,744)		(5,810,415)	6,708,239
	<u>\$ 71,827,375</u>	<u>\$ 652,203</u>	<u>\$ (40,678)</u>	<u>\$ 72,438,900</u>	<u>\$ (36,192,810)</u>	<u>\$ (2,340,428)</u>	<u>\$ 40,678</u>	<u>\$ (38,492,560)</u>	<u>\$ 33,946,340</u>

CITY OF LAGRANGE, GEORGIA
 UTILITY FUND
 COMPARATIVE SCHEDULES OF REVENUES
 Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Gas system:		
Gas sales	\$ 12,394,141	\$ 14,689,323
Miscellaneous	266,122	293,770
	<u>12,660,263</u>	<u>14,983,093</u>
Electric system:		
Electricity sales	45,803,832	47,231,945
Street and security lights	1,378,409	1,443,137
Miscellaneous	870,063	3,258,149
	<u>48,052,304</u>	<u>51,933,231</u>
Telecommunications:		
Internet services	2,441,915	2,316,031
Other telecommunications services	979,295	1,060,135
	<u>3,421,210</u>	<u>3,376,166</u>
 Total operating revenues	 <u>\$ 64,133,777</u>	 <u>\$ 70,292,490</u>

CITY OF LAGRANGE, GEORGIA
WATER AND SEWERAGE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2020 and 2019

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
Current assets:		
Cash and cash equivalents	\$ 3,206,209	\$ 2,040,082
Investments	11,795,045	11,104,480
Receivables:		
Accounts	1,884,721	2,111,513
Due from other funds	460,000	
Inventory	1,478,591	1,494,248
Total current assets	<u>18,824,566</u>	<u>16,750,323</u>
Noncurrent assets:		
Capital assets, not being depreciated	1,233,946	1,409,553
Capital assets, being depreciated	64,298,968	67,060,707
Total noncurrent assets	<u>65,532,914</u>	<u>68,470,260</u>
Total assets	<u>84,357,480</u>	<u>85,220,583</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pensions:		
Difference between expected and actual experience	115,959	146,290
Changes of assumptions	358,673	66,519
Contributions after measurement date	227,739	223,052
Other post-employment benefits:		
Difference between expected and actual experience	70,695	
Contributions after measurement date	<u>143,083</u>	<u>48,964</u>
Total deferred outflows of resources	<u>916,149</u>	<u>484,825</u>

(Continued...)

CITY OF LAGRANGE, GEORGIA
WATER AND SEWERAGE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2020 and 2019
(Continued)

	2020	2019
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	133,143	181,487
Customer deposits	697,427	594,505
Accrued liabilities	48,909	27,317
Accrued compensated absences	47,300	41,106
Unearned revenue	1,182,391	639,930
Notes payable, current	837,725	822,938
Total current liabilities	2,946,895	2,307,283
Noncurrent liabilities:		
Compensated absences	70,950	61,658
Notes payable, long-term	12,707,114	13,544,861
Net OPEB liability	1,865,273	1,766,656
Net pension liability	2,138,633	1,484,853
Total noncurrent liabilities	16,781,970	16,858,028
Total liabilities	19,728,865	19,165,311
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Pensions:		
Difference between expected and actual experience	1,758	2,530
Net difference between projected and actual earnings on investments	29,154	273,911
Other post-employment benefits:		
Difference between expected and actual experience	22,221	26,277
Changes of assumptions	247,376	134,718
Total deferred inflows of resources	300,509	437,436
<u>NET POSITION</u>		
Net investment in capital assets	51,988,075	54,102,461
Unrestricted	13,256,180	12,000,200
Total net position	\$ 65,244,255	\$ 66,102,661

CITY OF LAGRANGE, GEORGIA
WATER AND SEWERAGE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Years Ended June 30, 2020 and 2019

	2020	2019
Operating revenues:		
Water and sewerage system	\$ 17,391,373	\$ 16,568,787
Other sales	434,664	417,908
	17,826,037	16,986,695
Operating expenses:		
Water and sewerage system	9,955,564	9,870,882
Depreciation	3,539,045	3,530,190
	13,494,609	13,401,072
Operating income (loss)	4,331,428	3,585,623
Nonoperating revenues (expenses):		
Investment income	261,735	232,323
Gain (loss) on sale of assets	1,648	7,629
Interest expense	(235,188)	(240,625)
	28,195	(9,673)
Net income before contributions and transfers	4,359,623	3,575,950
Transfers in	626,793	532,224
Transfers out	(5,844,822)	(5,059,395)
	(858,406)	(951,221)
Change in net position	(858,406)	(951,221)
Net position, beginning of year	66,102,661	67,053,882
Net position, end of year	\$ 65,244,255	\$ 66,102,661

CITY OF LAGRANGE, GEORGIA
WATER AND SEWERAGE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Cash received from customers and users	\$ 18,238,212	\$ 17,620,424
Cash paid to employees	(4,435,138)	(4,333,330)
Cash paid to suppliers	(5,331,889)	(5,549,957)
Net cash provided (used) by operating activities	8,471,185	7,737,137
Cash flows from noncapital financing activities:		
Transfers in	626,793	532,224
Transfers out	(5,844,822)	(5,059,395)
Net cash provided (used) by noncapital financing activities	(5,218,029)	(4,527,171)
Cash flows from capital and related financial activities:		
Proceeds from sale of assets	1,648	7,629
Acquisition of capital assets	(601,699)	(983,753)
Payments on notes payable	(822,960)	(808,521)
Interest paid	(235,188)	(249,624)
Net cash provided (used) by capital and related financing activities	(1,658,199)	(2,034,269)
Cash flows from investing activities:		
Sale (purchase) of investments	(690,565)	(520,781)
Investment income	261,735	232,323
Net cash provided (used) by investing activities	(428,830)	(288,458)
Net increase (decrease) in cash	1,166,127	887,239
Cash, beginning of year	2,040,082	1,152,843
Cash, end of year	\$ 3,206,209	\$ 2,040,082
Cash flows from operating activities:		
Operating income	\$ 4,331,428	\$ 3,585,623
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	3,539,045	3,530,190
Changes in operating assets and liabilities:		
Accounts receivable	226,792	(23,696)
Inventory	15,657	(32,067)
Accounts payable	(48,344)	42,769
Accrued vacation	15,486	1,649
Due from other funds	(460,000)	
Unearned revenue	542,461	639,930
Other accrued expenses	21,592	(27,287)
Customer deposits	102,922	17,495
Net OPEB liability	42,405	56,493
Net pension liability	141,741	(53,962)
Net cash provided by operating activities	\$ 8,471,185	\$ 7,737,137

CITY OF LAGRANGE, GEORGIA
SANITATION FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2020 and 2019

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
Current assets:		
Cash and cash equivalents	\$ 1,943,966	\$ 3,247,527
Receivables:		
Accounts	92,836	571,214
Due from other funds	1,638,000	200,000
Total current assets	<u>3,674,802</u>	<u>4,018,741</u>
Noncurrent assets:		
Capital assets, not being depreciated	1,437,733	1,437,733
Capital assets, being depreciated	17,548,877	18,756,863
Total noncurrent assets	<u>18,986,610</u>	<u>20,194,596</u>
 Total assets	 <u>22,661,412</u>	 <u>24,213,337</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pensions:		
Difference between expected and actual experience	22,615	68,703
Changes of assumptions	69,951	31,240
Contributions after measurement date	44,415	104,753
Other post-employment benefits:		
Difference between expected and actual experience	13,788	
Contributions after measurement date	27,905	22,995
 Total deferred outflows of resources	 <u>178,674</u>	 <u>227,691</u>

(Continued...)

CITY OF LAGRANGE, GEORGIA
SANITATION FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2020 and 2019
(Continued)

	2020	2019
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	16,396	73,154
Customer deposits	1,530	1,530
Accrued liabilities	9,403	5,563
Accrued compensated absences	12,101	12,255
Notes payable, current	185,956	180,812
Capital leases, current	40,085	79,053
Landfill postclosure liability, current	48,037	46,189
Total current liabilities	313,508	398,556
Noncurrent liabilities:		
Compensated absences	18,151	18,381
Notes payable, long-term	2,492,749	2,678,695
Capital leases, long-term		40,085
Landfill postclosure liability	8,710,299	8,645,627
Net OPEB liability	363,779	829,685
Net pension liability	417,092	697,340
Total noncurrent liabilities	12,002,070	12,909,813
Total liabilities	12,315,578	13,308,369
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Pensions:		
Difference between expected and actual experience	343	1,188
Net difference between projected and actual earnings on investments	5,686	128,639
Other post-employment benefits:		
Difference between expected and actual experience	4,333	12,340
Changes of assumptions	48,246	63,268
Total deferred inflows of resources	58,608	205,435
<u>NET POSITION</u>		
Net investment in capital assets	16,267,820	17,215,950
Unrestricted	(5,801,920)	(6,288,726)
Total net position	\$ 10,465,900	\$ 10,927,224

CITY OF LAGRANGE, GEORGIA
SANITATION FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating revenues:		
Sanitation	\$ 2,637,866	\$ 7,802,487
Other sales	19,444	109,413
	<u>2,657,310</u>	<u>7,911,900</u>
Total operating revenues		
Operating expenses:		
Sanitation	1,653,500	6,431,928
Depreciation	1,149,225	1,577,844
	<u>2,802,725</u>	<u>8,009,772</u>
Total operating expenses		
Operating income	<u>(145,415)</u>	<u>(97,872)</u>
Nonoperating revenues (expenses):		
Investment income	7,117	4,635
Gain (loss) on sale of assets	(33,770)	1,064,686
Interest expense	(82,468)	(87,458)
	<u>(109,121)</u>	<u>981,863</u>
Total nonoperating revenues (expenses)		
Net income (loss) before transfers	(254,536)	883,991
Transfers in	93,212	245,068
Transfers out	<u>(300,000)</u>	<u>(2,000,000)</u>
Change in net position	(461,324)	(870,941)
Net position, beginning of year	<u>10,927,224</u>	<u>11,798,165</u>
Net position, end of year	<u>\$ 10,465,900</u>	<u>\$ 10,927,224</u>

CITY OF LAGRANGE, GEORGIA
SANITATION FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Cash received from customers and users	\$ 1,697,688	\$ 7,788,169
Cash paid to employees	(892,342)	(1,509,045)
Cash paid to suppliers	(1,591,904)	(5,219,941)
Net cash provided (used) by operating activities	(786,558)	1,059,183
Cash flows from noncapital financing activities:		
Transfers in	93,212	245,068
Transfers out	(300,000)	(2,000,000)
Net cash provided (used) by noncapital financing activities	(206,788)	(1,754,932)
Cash flows from capital and related financing activities:		
Proceeds from sale of assets	24,992	3,000,000
Acquisition of capital assets		(104,116)
Capital lease payments	(79,053)	(586,284)
Payments on notes payable	(180,803)	(175,813)
Interest paid	(82,468)	(87,458)
Net cash provided (used) by capital and related financing activities	(317,332)	2,046,329
Cash flows from investing activities:		
Investment income	7,117	4,635
Net cash provided (used) by investing activities	7,117	4,635
Net increase (decrease) in cash	(1,303,561)	1,355,215
Cash, beginning of year	3,247,527	1,892,312
Cash, end of year	\$ 1,943,966	\$ 3,247,527
Cash flows from operating activities:		
Operating income	\$ (145,415)	\$ (97,872)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,149,225	1,577,844
Changes in operating assets and liabilities:		
Accounts receivable	478,378	76,269
Accounts payable	(56,758)	(544,795)
Accrued vacation	(384)	(25,061)
Due from other funds	(1,438,000)	(200,000)
Other accrued expenses	3,840	(19,005)
Closure/postclosure	66,520	239,943
Net OPEB obligation	(507,633)	55,372
Net pension liability	(336,331)	(3,512)
Net cash provided by operating activities	\$ (786,558)	\$ 1,059,183



LAGRANGE
GEORGIA

NONMAJOR ENTERPRISE FUND

Downtown Development Authority - This fund accounts for the operation of the City's Sweetland Amphitheatre and other community development activity.

CITY OF LAGRANGE, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2020 and 2019

	2020	2019
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 35,872	
Prepays	25,000	
Restricted cash and cash equivalents	125,000	
Total current assets	185,872	\$ -
Noncurrent assets:		
Deposits	5,000	
Capital assets, not being depreciated	174,506	50,000
Capital assets, being depreciated	4,042,179	3,967,325
Total noncurrent assets	4,221,685	4,017,325
Total assets	4,407,557	4,017,325
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	12,901	
Accrued liabilities	35,820	
Due to other funds	10,000	
Total current liabilities	58,721	-
Total liabilities	58,721	-
<u>NET POSITION</u>		
Net investment in capital assets	4,216,685	4,017,325
Restricted, Community Development	125,000	
Unrestricted	7,151	
Total net position	\$ 4,348,836	\$ 4,017,325

CITY OF LAGRANGE, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Years Ended June 30, 2020 and 2019

	2020	2019
Operating revenues:		
Sponsorships	\$ 304,595	
Miscellaneous	34,085	
Total operating revenues	338,680	\$ -
Operating expenses:		
Community development	109,530	
Depreciation	123,177	113,352
Total operating expenses	232,707	113,352
Operating income (loss)	105,973	(113,352)
Net income before contributions and transfers	105,973	(113,352)
Capital contributions	225,538	
Change in net position	331,511	(113,352)
Net position, beginning of year	4,017,325	4,130,677
Net position, end of year	\$ 4,348,836	\$ 4,017,325



LAGRANGE
GEORGIA

INTERNAL SERVICE FUNDS

Group Insurance Fund - To account for the City's partial self-insurance of employees' medical claims.

Property and Casualty Insurance Fund - To account for the City's partial self-insurance of workers' compensation and liability claims.

CITY OF LAGRANGE, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2020

<u>ASSETS</u>	<u>Group Insurance Fund</u>	<u>Property and Casualty Fund</u>	<u>Total</u>
Current assets:			
Cash and cash equivalents	\$ 162,859	\$ 738,748	\$ 901,607
Investments		647,895	647,895
Receivables-other	50,416		50,416
Due from other funds		250,020	250,020
Prepays	13,275	130,795	144,070
Advances to other funds		617,210	617,210
	<u>226,550</u>	<u>2,384,668</u>	<u>2,611,218</u>
Total assets	226,550	2,384,668	2,611,218
 <u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	42,504	8,978	51,482
Claims reserve	1,100,000	600,000	1,700,000
Due to other funds	410,000		410,000
	<u>1,552,504</u>	<u>608,978</u>	<u>2,161,482</u>
Total liabilities	1,552,504	608,978	2,161,482
 <u>NET POSITION</u>			
Net position:			
Unrestricted	<u>(1,325,954)</u>	<u>1,775,690</u>	<u>449,736</u>
Total net position	\$ (1,325,954)	\$ 1,775,690	\$ 449,736

CITY OF LAGRANGE, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year Ended June 30, 2020

	<u>Group Insurance Fund</u>	<u>Property and Casualty Fund</u>	<u>Total</u>
Operating revenues:			
Premiums	<u>\$ 7,365,438</u>	<u>\$ 1,166,150</u>	<u>\$ 8,531,588</u>
Operating expenses:			
Administrative services	210,882	33,050	243,932
Risk management	<u>8,016,352</u>	<u>1,656,915</u>	<u>9,673,267</u>
Total operating expenses	<u>8,227,234</u>	<u>1,689,965</u>	<u>9,917,199</u>
Operating income (loss)	<u>(861,796)</u>	<u>(523,815)</u>	<u>(1,385,611)</u>
Nonoperating revenues:			
Investment income	<u>1,273</u>	<u>74,094</u>	<u>75,367</u>
Total nonoperating revenues	<u>1,273</u>	<u>74,094</u>	<u>75,367</u>
Change in net position	(860,523)	(449,721)	(1,310,244)
Net position, beginning of year	<u>(465,431)</u>	<u>2,225,411</u>	<u>1,759,980</u>
Net position, end of year	<u><u>\$ (1,325,954)</u></u>	<u><u>\$ 1,775,690</u></u>	<u><u>\$ 449,736</u></u>

CITY OF LAGRANGE, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2020

	Group Insurance Fund	Property and Casualty Fund	Total
Cash flows from operating activities:			
Cash received from customers and users	\$ 7,362,630	\$ 1,166,130	\$ 8,528,760
Cash paid to suppliers	(7,848,048)	(1,813,835)	(9,661,883)
Net cash provided (used) by operating activities	<u>(485,418)</u>	<u>(647,705)</u>	<u>(1,133,123)</u>
Cash flows from noncapital financing activities:			
Repayment of advance to (from) other funds		105,600	105,600
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>105,600</u>	<u>105,600</u>
Cash flows from investing activities:			
Sale (purchase) of investments		(82,007)	(82,007)
Investment income	1,273	74,094	75,367
Net cash provided (used) by investing activities	<u>1,273</u>	<u>(7,913)</u>	<u>(6,640)</u>
Net increase (decrease) in cash	(484,145)	(550,018)	(1,034,163)
Cash, beginning of year	<u>647,004</u>	<u>1,288,766</u>	<u>1,935,770</u>
Cash, end of year	<u>\$ 162,859</u>	<u>\$ 738,748</u>	<u>\$ 901,607</u>
Cash flows form operating activities:			
Operating income (loss)	\$ (861,796)	\$ (523,815)	\$ (1,385,611)
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:			
(Increase) decrease in accounts receivable	(2,808)		(2,808)
(Increase) decrease in prepaids	3,160	(130,795)	(127,635)
(Increase) decrease in due from other funds		(20)	(20)
Increase (decrease) in accounts payable	16,026	6,925	22,951
Increase (decrease) in claims reserve	200,000		200,000
Increase (decrease) in due to other funds	160,000		160,000
Net cash provided (used) by operating activities	<u>\$ (485,418)</u>	<u>\$ (647,705)</u>	<u>\$ (1,133,123)</u>

CITY OF LAGRANGE, GEORGIA
GROUP INSURANCE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 162,859	\$ 647,004
Receivables-other	50,416	47,608
Prepays	<u>13,275</u>	<u>16,435</u>
Total assets	<u>226,550</u>	<u>711,047</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	42,504	26,478
Claims reserve	1,100,000	900,000
Due to other funds	<u>410,000</u>	<u>250,000</u>
Total current liabilities	<u>1,552,504</u>	<u>1,176,478</u>
<u>NET POSITION</u>		
Net position:		
Unrestricted	<u>(1,325,954)</u>	<u>(465,431)</u>
Total net position	<u>\$ (1,325,954)</u>	<u>\$ (465,431)</u>

CITY OF LAGRANGE, GEORGIA
GROUP INSURANCE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Years Ended June 30, 2020 and 2019

	2020	2019
Operating revenues:		
Premiums	\$ 7,365,438	\$ 7,875,709
Operating expenses:		
Administrative services	210,882	192,982
Risk management	8,016,352	7,949,044
Total operating expenses	8,227,234	8,142,026
Operating income (loss)	(861,796)	(266,317)
Nonoperating revenues:		
Investment income	1,273	4,727
Total nonoperating revenues	1,273	4,727
Change in net position	(860,523)	(261,590)
Net position, beginning of year	(465,431)	(203,841)
Net position, end of year	\$ (1,325,954)	\$ (465,431)

CITY OF LAGRANGE, GEORGIA
GROUP INSURANCE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Cash received from customers and users	\$ 7,362,630	\$ 7,874,159
Cash paid to suppliers	(7,848,048)	(8,692,060)
Net cash provided (used) by operating activities	(485,418)	(817,901)
Cash flows from investing activities:		
Investment income	1,273	4,727
Net cash provided (used) by investing activities	1,273	4,727
Net increase (decrease) in cash	(484,145)	(813,174)
Cash, beginning of year	647,004	1,460,178
Cash, end of year	\$ 162,859	\$ 647,004
Cash flows from operating activities:		
Operating income (loss)	\$ (861,796)	\$ (266,317)
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:		
(Increase) decrease in prepaids	(2,808)	(1,550)
(Increase) decrease in accounts receivable	3,160	
Increase (decrease) in accounts payable	16,026	(34)
Increase (decrease) in claims reserve	200,000	200,000
Increase (decrease) in due to other funds	160,000	(750,000)
Net cash provided (used) by operating activities	\$ (485,418)	\$ (817,901)

CITY OF LAGRANGE, GEORGIA
PROPERTY AND CASUALTY FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2020 and 2019

	2020	2019
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 738,748	\$ 1,288,766
Investments	647,895	565,888
Due from other funds	250,020	250,000
Prepays	130,795	
Advances to other funds	617,210	722,810
	2,384,668	2,827,464
Total assets		
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	8,978	2,053
Claims reserve	600,000	600,000
	608,978	602,053
Total liabilities		
<u>NET POSITION</u>		
Net position:		
Unrestricted	1,775,690	2,225,411
	\$ 1,775,690	\$ 2,225,411
Total net position		

CITY OF LAGRANGE, GEORGIA
PROPERTY AND CASUALTY FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Years Ended June 30, 2020 and 2019

	2020	2019
Operating revenues:		
Premiums	\$ 1,166,150	\$ 3,362,964
Operating expenses:		
Administrative services	33,050	64,701
Risk management	1,656,915	4,083,299
Total operating expenses	1,689,965	4,148,000
Operating income (loss)	(523,815)	(785,036)
Nonoperating revenues:		
Investment income	74,094	75,779
Total nonoperating revenues	74,094	75,779
Change in net position	(449,721)	(709,257)
Net position, beginning of year	2,225,411	2,934,668
Net position, end of year	\$ 1,775,690	\$ 2,225,411

CITY OF LAGRANGE, GEORGIA
PROPERTY AND CASUALTY FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 1,166,130	\$ 4,097,964
Cash paid to suppliers	<u>(1,813,835)</u>	<u>(4,157,182)</u>
Net cash provided (used) by operating activities	<u>(647,705)</u>	<u>(59,218)</u>
Cash flows from noncapital financing activities:		
Repayment of advances to other funds	<u>105,600</u>	<u>100,331</u>
Net cash provided (used) by noncapital financing activities	<u>105,600</u>	<u>100,331</u>
Cash flows from investing activities:		
Sale (purchase) of investments	(82,007)	(36,936)
Investment income	<u>74,094</u>	<u>75,779</u>
Net cash provided (used) by investing activities	<u>(7,913)</u>	<u>38,843</u>
Net increase (decrease) in cash	(550,018)	79,956
Cash, beginning of year	<u>1,288,766</u>	<u>1,208,810</u>
Cash, end of year	<u>\$ 738,748</u>	<u>\$ 1,288,766</u>
Cash flows from operating activities:		
Operating income (loss)	\$ (523,815)	\$ (785,036)
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:		
(Increase) decrease in prepaids	(130,795)	
(Increase) decrease in due from other funds	(20)	735,000
Increase (decrease) in accounts payable	<u>6,925</u>	<u>(9,182)</u>
Net cash provided (used) by operating activities	<u>\$ (647,705)</u>	<u>\$ (59,218)</u>

**SUPPLEMENTAL INFORMATION
CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS**

CITY OF LAGRANGE, GEORGIA
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS*
 COMPARATIVE SCHEDULE OF CAPITAL ASSETS BY SOURCE
 June 30, 2020 and 2019

	2020	2019
Governmental fund capital assets:		
Land	\$ 13,601,122	\$ 13,601,122
Construction in progress	1,413,979	3,217,264
Buildings	25,235,091	22,289,346
Machinery and equipment	13,959,624	13,871,607
Vehicles	5,241,239	5,286,288
Infrastructure	61,950,991	56,724,793
Total governmental fund capital assets	\$ 121,402,046	\$ 114,990,420
Investment in governmental fund capital assets by source:		
General fund revenues	\$ 16,628,747	\$ 16,256,061
General obligation bonds	3,000,000	3,000,000
Capital projects fund	78,921,722	72,882,782
Special revenues fund	4,429,256	4,429,256
Donations	18,422,321	18,422,321
Total governmental fund capital assets	\$ 121,402,046	\$ 114,990,420

*This schedule presents only the capital asset balances related to governmental funds.

CITY OF LAGRANGE, GEORGIA
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS*
 SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
 June 30, 2020

Function and Activity	Total	Land	Construction in Progress	Buildings and Improvements	Machinery and Equipment	Vehicles	Infrastructure
General government	\$ 15,309,005	\$ 4,864,794	\$ 73,535	\$ 6,530,298	\$ 2,798,911	\$ 402,202	\$ 639,265
Public safety	9,513,422	21,465		2,266,959	3,037,956	3,960,166	226,876
Public service	13,215,957	636,261			2,421,025	455,189	9,703,482
Culture and recreation	5,598,918	1,843,041	104,614	206,943	749,180	331,544	2,363,596
Community development	77,764,744	6,235,561	1,235,830	16,230,891	4,952,552	92,138	49,017,772
Total governmental funds capital assets	<u>\$ 121,402,046</u>	<u>\$ 13,601,122</u>	<u>\$ 1,413,979</u>	<u>\$ 25,235,091</u>	<u>\$ 13,959,624</u>	<u>\$ 5,241,239</u>	<u>\$ 61,950,991</u>

*This schedule presents only the capital asset balances related to governmental funds.

CITY OF LAGRANGE, GEORGIA
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS*
 SCHEDULE OF CHANGE IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY
 Year Ended June 30, 2020

Function and Activity	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
General government	\$ 15,281,943	\$ 54,688	\$ (27,626)	\$ 15,309,005
Public safety	9,490,358	173,447	(150,383)	9,513,422
Public service	13,132,587	783,428	(700,058)	13,215,957
Culture and recreation	5,359,729	239,189		5,598,918
Community development	71,725,803	8,557,188	(2,518,247)	77,764,744
Total governmental funds capital assets	<u>\$ 114,990,420</u>	<u>\$ 9,807,940</u>	<u>\$ (3,396,314)</u>	<u>\$ 121,402,046</u>

*This schedule presents only the capital asset balances related to governmental funds.

ADDITIONAL DATA

The following data is required by either state statute, specific grant audit requirements, or auditing standards:

Special Local Option Sales Tax Funds - Disclosure required by State of Georgia law.

CHIP Schedules – Disclosures required by specific grant audit requirements.

CITY OF LAGRANGE, GEORGIA
SPECIAL LOCAL OPTION SALES TAX FUNDS
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
Year Ended June 30, 2020

Project	Original Estimated Cost	Expenditures		Total
		Prior Years	Current Year	
Special Local Option Sales Tax - 2011:				
Road and bridge improvements	\$ 10,550,000	\$ 7,938,299		\$ 7,938,299
Utility relocation	3,000,000	592,989		592,989
Bicycle and sidewalk facilities and neighborhood parks	3,000,000	7,777,087		7,777,087
Public safety facilities and equipment	3,400,000	2,633,339		2,633,339
Special Local Option Sales Tax - 2017:				
The Thread - multi-use trail	\$ 5,000,000	958,890	\$ 2,451,627	\$ 3,410,517
Park upgrades	550,000	341,353	214,550	555,903
Gateway corridor enhancements	2,000,000	-	-	-
Roads and bridge improvements	6,000,000	663,119	907,844	1,570,963
Utility relocation	1,400,000	331	38,806	39,137
Regional storm water management initiatives	1,000,000	5,449	28,268	33,717
Public safety	4,000,000	942,731	2,631,614	3,574,345

CITY OF LAGRANGE, GEORGIA
COMMUNITY HOME INVESTMENT PROGRAM GRANT
SOURCE AND APPLICATION OF FUNDS STATUS REPORT
Year Ended June 30, 2020

CHIP CH14XLAGR-01

Total grant	\$	391,000
Less, total program funds drawn down by recipient for the year ended:		
June 30, 2020		-
June 30, 2019		-
June 30, 2018		(74,462)
June 30, 2017		(124,895)
		-
Program funds forfeited	\$	191,643
Total program funds drawn down by recipient for the year ended June 30, 2020	\$	-
Add, program income applicable to the year ended June 30, 2020		-
Total program funds drawn by recipient and program income for the year ended June 30, 2020	\$	-

Note: This grant has expired and has been closed, therefore no further funds are available for draw down.

CHIP CH19XLAGR-01

Total grant	\$	464,700
Less, total program funds drawn down by recipient for the year ended:		
June 30, 2020		-
Program funds available for future draw down	\$	464,700
Total program funds drawn down by recipient for the year ended June 30, 2020	\$	-
Add, program income applicable to the year ended June 30, 2020		-
Total program funds drawn by recipient and program income for the year ended June 30, 2020	\$	-

CITY OF LAGRANGE, GEORGIA
COMMUNITY HOME INVESTMENT PROGRAM GRANT
PROJECT COST SCHEDULE
Year Ended June 30, 2020

Activity	Budgeted Expenditures	Expenditures			Questioned Cost
		Prior Years	Current Year	Total	
CHIP CH14XLAGR-01					
Rehabilitation	\$ 385,000	\$ 195,506		\$ 195,506	None
Administration	6,000	3,851		3,851	None
	<u>\$ 391,000</u>	<u>\$ 199,357</u>	<u>\$ -</u>	<u>\$ 199,357</u>	

Note: This grant has expired and has been closed, therefore no further funds are available for draw down.

CHIP CH19XLAGR-01					
Construction	\$ 464,700			\$ -	None
	<u>\$ 464,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

STATISTICAL SECTION

This part of the City of LaGrange's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

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<u>Financial Trends</u> - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	107
<u>Revenue Capacity</u> - These schedules present information to help the reader assess the City's most significant local revenue source, utility revenue.	113
<u>Debt Capacity</u> - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	118
<u>Demographic and Economic Information</u> - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	121
<u>Operating Information</u> - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.	124

Sources:

Unless otherwise noted, the information in these schedules is derived from the City's comprehensive annual financial reports for the relevant year.

CITY OF LAGRANGE, GEORGIA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCURAL BASIS OF ACCOUNTING)

	Fiscal Year Ended June 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Net investment										
in capital assets	\$ 37,274,638	\$ 40,409,288	\$ 43,576,398	\$ 43,561,422	\$ 53,207,058	\$ 61,734,629	\$ 62,112,183	\$ 66,096,412	\$ 71,977,857	\$ 75,206,491
Restricted	7,505,427	6,529,006	4,881,359	6,479,502	6,595,665	6,680,165	6,284,954	4,259,880	1,354,746	2,019,890
Unrestricted	(2,908,655)	(3,461,667)	(3,311,359)	(3,569,275)	(9,893,218)	(10,317,280)	(30,591,947)	(36,742,232)	(35,829,384)	(41,643,138)
Total governmental activities net position	\$ 41,871,410	\$ 43,476,627	\$ 45,146,398	\$ 46,471,649	\$ 49,909,505	\$ 58,097,514	\$ 37,805,190	\$ 33,614,060	\$ 37,503,219	\$ 35,583,243
Business-type activities:										
Net investment										
in capital assets	\$ 113,856,456	\$ 114,889,792	\$ 113,861,863	\$ 112,233,680	\$ 112,527,782	\$ 110,250,942	\$ 108,454,603	\$ 105,812,200	\$ 101,324,627	\$ 101,978,981
Restricted										125,000
Unrestricted	16,249,506	21,208,735	23,220,112	26,522,639	26,235,390	30,199,537	30,425,124	28,695,522	32,991,564	37,442,117
Total business-type activities net position	\$ 130,105,962	\$ 136,098,527	\$ 137,081,975	\$ 138,756,319	\$ 138,763,172	\$ 140,450,479	\$ 138,879,727	\$ 134,507,722	\$ 134,316,191	\$ 139,546,098
Primary government:										
Net investment										
in capital assets	\$ 151,131,094	\$ 155,299,080	\$ 157,438,261	\$ 155,795,102	\$ 165,734,840	\$ 171,985,571	\$ 170,566,786	\$ 171,908,612	\$ 173,302,484	\$ 177,185,472
Restricted	7,505,427	6,529,006	4,881,359	6,479,502	6,595,665	6,680,165	6,284,954	4,259,880	1,354,746	2,144,890
Unrestricted	13,340,851	17,747,068	19,908,753	22,953,364	16,342,172	19,882,257	(166,823)	(8,046,710)	(2,837,820)	(4,201,021)
Total primary government net position	\$ 171,977,372	\$ 179,575,154	\$ 182,228,373	\$ 185,227,968	\$ 188,672,677	\$ 198,547,993	\$ 176,684,917	\$ 168,121,782	\$ 171,819,410	\$ 175,129,341



LAGRANGE
GEORGIA

CITY OF LAGRANGE, GEORGIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year Ended June 30

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ 2,023,144	\$ 2,447,844	\$ 2,374,352	\$ 2,702,167	\$ 2,640,850	\$ 2,536,687	\$ 2,151,318	\$ 2,072,410	\$ 3,348,886	\$ 3,859,865
Public safety	13,941,126	14,477,949	15,583,597	16,512,002	15,435,028	16,528,248	17,995,155	17,573,577	18,711,064	20,681,558
Public service	2,829,962	3,129,297	2,925,579	2,855,304	2,762,723	3,281,515	3,582,226	3,861,703	3,149,068	4,059,207
Culture and recreation	990,442	1,103,386	1,090,148	1,156,457	993,631	1,009,469	1,024,270	1,586,548	1,579,867	1,726,942
Community development	2,317,269	2,590,079	2,885,126	3,160,331	3,330,554	3,547,065	25,296,195	4,551,535	6,359,208	5,777,406
Rodevelopment and housing		503,278	577,942	335,399	228,000	228,000	352,895	280,462	206,000	206,000
Miscellaneous	817,226	377,065	398,890	415,457	403,159	438,347	443,353	438,966	451,737	507,970
Interest on long-term debt	502,255	600,050	583,580	327,250	326,751	232,542	533,129	788,434	831,861	803,005
Total governmental activities expenses	23,421,424	25,228,948	26,419,214	27,464,367	26,120,696	27,801,873	51,378,541	31,153,635	34,637,691	37,621,953
Business-type activities:										
Water and sewerage	12,069,015	12,730,898	12,813,505	13,023,085	12,275,364	12,491,721	12,714,739	12,609,701	13,650,697	13,729,797
Gas	13,832,177	11,155,525	12,078,193	14,847,586	13,030,969	9,585,058	10,552,167	10,771,403	12,057,058	9,025,876
Electric system	37,470,631	40,414,968	42,433,294	45,996,684	46,100,926	43,771,606	43,424,244	43,465,618	46,453,642	42,879,125
Sanitation	7,507,351	8,672,357	9,325,713	8,239,045	8,093,325	9,320,613	8,947,980	9,050,058	8,097,230	2,918,963
Telecommunications	2,320,373	2,464,563	2,393,405	2,104,518	1,890,481	2,318,542	2,975,585	2,976,708	3,214,448	3,571,878
Community development										232,707
Total business-type activities expenses	73,199,547	75,438,211	79,044,110	84,210,918	81,391,065	77,487,540	78,614,715	78,873,488	83,473,075	72,358,346
Total primary government expenses	\$ 96,620,971	\$ 100,667,159	\$ 105,463,324	\$ 111,675,285	\$ 107,511,761	\$ 105,289,413	\$ 129,993,256	\$ 110,027,123	\$ 118,110,766	\$ 109,980,299
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 152,279	\$ 270,308	\$ 119,827	\$ 202,638	\$ 196,652	\$ 356,953	\$ 366,991	\$ 366,546	\$ 1,716,581	\$ 1,280,442
Public safety	2,001,184	2,058,481	2,089,613	1,871,655	1,629,624	1,464,613	1,438,475	1,508,576	1,388,901	1,225,329
Public service	279,526									
Culture and recreation		66,275	148,511	63,435	61,110	61,010	44,875	57,315	51,180	48,545
Community development	1,080,982	1,104,382	1,248,930	1,232,586	1,236,348	1,079,498	1,162,818	861,664	1,057,964	993,385
Operating grants and contributions	459,031	660,012	812,440	338,612	74,335	218,943	586,037	2,817,707	910,388	418,466
Capital grants and contributions	3,571,714	3,560,013	3,174,313	3,036,190	10,357,243	10,525,756	3,307,053	3,366,043	4,556,503	5,123,036
Total governmental activities program revenues	7,544,716	7,717,471	7,593,694	6,745,114	13,557,312	13,706,773	6,906,249	8,977,851	9,681,517	9,089,203
Business-type activities:										
Charges for services:										
Water and sewerage	16,516,255	16,229,302	14,844,920	15,430,172	15,634,665	16,165,910	16,667,241	15,996,574	16,986,695	17,826,037
Gas system	17,013,290	13,459,998	14,643,762	17,545,344	16,825,600	11,694,411	11,994,070	13,575,746	14,983,093	12,660,263
Electric system	50,266,129	49,744,322	49,578,253	53,274,874	54,659,256	50,570,883	48,812,549	50,257,072	51,933,231	48,052,304
Sanitation	7,645,580	8,368,771	8,533,923	8,420,551	8,731,986	9,456,822	9,406,918	8,713,822	7,911,900	2,857,310
Telecommunications	2,672,258	2,861,178	2,933,962	3,050,010	2,755,585	2,998,812	3,082,439	3,215,182	3,376,166	3,421,210
Community development										338,680
Operating grants and contributions	248,729	151,268								225,538
Capital grants and contributions	94,362,241	90,814,839	90,534,820	97,720,951	98,607,092	90,886,838	89,983,217	91,758,396	95,191,085	85,181,342
Total business-type activities program revenues	\$ 101,906,957	\$ 98,532,310	\$ 98,128,454	\$ 104,466,065	\$ 112,164,404	\$ 104,593,611	\$ 96,869,466	\$ 100,736,247	\$ 104,872,602	\$ 94,270,545

Fiscal Year Ended June 30

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (expense) revenue										
Governmental activities	\$ (15,876,708)	\$ (17,511,477)	\$ (18,825,580)	\$ (20,719,253)	\$ (12,563,384)	\$ (14,095,100)	\$ (44,472,292)	\$ (22,175,784)	\$ (24,956,174)	\$ (28,532,750)
Business-type activities	21,162,694	15,376,628	11,490,710	13,510,033	17,216,027	13,399,298	11,348,502	12,884,908	11,718,010	12,822,996
Total primary government net expense	\$ 5,285,986	\$ (2,134,849)	\$ (7,334,870)	\$ (7,209,220)	\$ 4,652,643	\$ (695,802)	\$ (33,123,790)	\$ (9,290,876)	\$ (13,238,164)	\$ (15,709,754)
General Revenues and Other Changes										
Net Position										
Governmental activities:										
Taxes:										
General purpose taxes	\$ 3,322,394	\$ 3,460,477	\$ 3,833,147	\$ 4,249,366	\$ 4,395,627	\$ 4,545,898	\$ 4,586,458	\$ 4,933,177	\$ 7,666,659	\$ 6,956,644
Sales tax	4,871,868	5,067,756	4,950,107	4,795,388	5,021,093	4,769,502	4,968,287	5,230,046	5,750,141	5,349,061
Franchise taxes	1,089,653	1,082,666	1,057,342	1,090,820	1,204,116	1,110,440	1,083,001	1,073,386	1,130,709	1,144,431
Unrestricted investment earnings	48,205	30,635	132,379	29,289	35,789	42,269	51,222	64,512	100,637	85,638
Transfers	10,487,329	9,475,160	10,522,376	11,879,641	13,073,728	11,815,000	13,491,000	13,914,000	13,842,000	13,077,000
Total governmental activities	19,829,449	19,116,694	20,495,351	22,044,504	23,730,353	22,283,109	24,179,968	25,215,121	28,490,146	26,612,774
Business-type activities:										
Unrestricted investment earnings	116,453	91,097	15,114	43,952	72,298	103,009	370,511	183,985	1,321,759	1,460,673
Gain on sale of capital assets									1,083,763	5,913
Transfers	(10,487,329)	(9,475,160)	(10,522,376)	(11,879,641)	(13,073,728)	(11,815,000)	(13,491,000)	(13,914,000)	(13,842,000)	(13,077,000)
Total business-type activities	(10,370,876)	(9,384,063)	(10,507,262)	(11,835,689)	(13,001,430)	(11,711,991)	(13,120,489)	(13,730,015)	(11,436,478)	(11,610,414)
Total primary government	\$ 9,458,573	\$ 9,732,631	\$ 9,988,089	\$ 10,208,815	\$ 10,728,923	\$ 10,571,118	\$ 11,059,479	\$ 11,485,106	\$ 17,053,668	\$ 15,002,360
Change in Net Position										
Governmental activities	3,952,741	1,605,217	1,669,771	1,325,251	11,166,969	8,188,009	(20,292,324)	3,039,337	3,533,972	(1,919,976)
Business-type activities	10,791,918	5,992,555	983,448	1,674,344	4,214,597	1,687,307	(1,771,987)	(845,107)	281,532	1,212,582
Total primary government	\$ 14,744,559	\$ 7,597,782	\$ 2,653,219	\$ 2,999,595	\$ 15,381,566	\$ 9,875,316	\$ (22,064,311)	\$ 2,194,230	\$ 3,815,504	\$ (707,394)

CITY OF LAGRANGE, GEORGIA
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ended June 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund:										
Nonspendable	\$ 248,238	\$ 185,692	\$ 203,335	\$ 197,596	\$ 200,254	\$ 183,753	\$ 195,491	\$ 179,260	\$ 170,003	\$ 165,344
Restricted	776,590	861,865	876,905	865,860	812,684	936,059	932,122	928,387	1,354,746	1,279,007
Assigned									7,000	12,540
Unassigned	1,674,201	1,045,441	1,451,702	1,532,232	2,416,230	2,203,372	1,902,981	1,773,138	1,687,912	(1,021,517)
Total general fund	\$ 2,699,029	\$ 2,092,998	\$ 2,531,942	\$ 2,595,688	\$ 3,429,168	\$ 3,323,184	\$ 3,030,594	\$ 2,880,785	\$ 3,219,661	\$ 435,374
All other governmental funds										
Nonspendable, reported in:										
Debt service										
Capital projects										
Restricted, reported in:										
Special revenue	\$ 2,736,199	\$ 2,432,329	\$ 2,202,206	\$ 1,896,347	\$ 1,661,268	\$ 1,439,974	\$ 1,243,430	\$ 1,033,579	\$ 883,110	\$ 740,883
Debt service	928,295	692,818								
Capital projects	3,070,853	2,563,696	1,802,248	3,717,295	4,121,713	4,304,132	4,109,402	2,297,914	(2,894,486)	(3,844,976)
Unassigned	(6,510)	(85)	(34,510)	60,474			(2,720,609)	(2,595,426)	(2,894,486)	(3,844,976)
Total all other governmental funds	\$ 6,728,837	\$ 5,688,758	\$ 3,969,944	\$ 5,674,116	\$ 5,782,981	\$ 5,744,106	\$ 2,632,223	\$ 736,067	\$ (2,011,376)	\$ (3,104,093)

CITY OF LAGRANGE, GEORGIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year Ended June 30

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes, licenses and permits	\$ 9,446,194	\$ 9,768,301	\$ 9,960,423	\$ 10,273,853	\$ 10,746,345	\$ 10,579,163	\$ 10,890,064	\$ 11,434,333	\$ 14,823,776	\$ 13,709,187
Intergovernmental	4,886,129	4,127,929	3,983,314	3,364,073	3,258,124	3,206,315	3,767,004	5,293,293	5,104,531	5,041,033
Fines and forfeitures	1,716,846	1,774,798	1,828,645	1,613,749	1,376,112	1,133,181	1,115,505	1,164,063	1,037,600	803,272
Garage Charges									1,044,834	809,000
Charges for services	284,338	281,683	260,968	257,968	250,170	310,653	253,768	285,318	294,682	343,663
Investment income	52,899	36,484	135,818	39,445	43,704	54,216	67,230	70,866	104,417	86,107
Grants and subsidies	187,920	50,954								500,000
Lease income		1,085,582	1,083,639	1,091,631	1,140,108	939,322	840,308	857,704	928,906	842,178
Miscellaneous	310,939	233,274	313,802	269,320	197,361	425,595	568,710	507,452	620,716	490,537
Total revenues	16,885,265	17,359,005	17,566,609	16,909,977	17,011,924	16,648,445	17,502,589	19,613,029	23,959,462	22,624,977
Expenditures										
General government	1,425,924	1,805,045	1,652,312	2,059,938	2,100,858	1,901,425	1,964,022	2,085,775	3,096,624	3,333,594
Public safety	13,498,540	14,244,396	15,176,234	15,754,520	15,552,037	15,947,584	16,935,100	17,424,091	17,766,922	18,893,216
Public service	2,306,871	2,759,983	2,493,475	2,540,906	2,507,788	2,941,310	3,253,462	2,856,934	2,780,224	2,955,747
Culture and recreation	818,368	946,692	942,167	1,006,218	959,879	944,873	945,898	1,349,158	1,467,014	1,620,773
Community development	1,525,229	1,674,357	1,815,776	1,769,655	1,987,811	2,049,237	4,917,482	2,320,175	3,896,650	3,267,663
Redevelopment and housing	480,592	503,278	577,942	335,399	228,000	228,000	352,895	280,462	206,000	206,000
Telecommunications and technology	326,362	367,318	386,117	392,945	405,217	422,411	443,359	466,364	460,021	477,190
Debt service:										
Principal	1,272,643	1,220,330	1,478,499	1,196,251	3,420,721	978,491	1,366,227	1,440,153	1,376,182	1,588,199
Interest	585,208	542,588	597,633	371,047	357,059	226,215	259,488	224,699	865,575	808,359
Capital outlay	4,917,057	4,612,883	4,486,441	2,069,941	4,189,642	5,699,449	4,702,862	7,535,200	8,875,042	7,083,458
Total expenditures	27,156,794	28,676,870	29,606,596	27,496,820	31,709,012	31,338,995	35,140,795	35,983,011	40,790,254	40,234,199
Excess of revenues over (under) expenditures	(10,271,529)	(11,317,865)	(12,039,987)	(10,586,843)	(14,697,088)	(14,690,550)	(17,638,206)	(16,369,982)	(16,830,792)	(17,609,222)
Other financing sources (uses)										
Refunding bonds issued					2,299,000					
Capital lease	214,753	176,496	235,475	474,797	238,972	2,725,707	713,427	396,555	213,418	625,083
Proceeds from sale of assets	6,153	20,099	2,266	347	36,733	4,984	29,306	13,462	11,621	30,135
Transfers in	13,148,673	12,448,340	14,173,836	14,920,980	14,727,220	13,494,882	15,281,892	15,910,705	20,588,068	18,385,659
Transfers out	(2,661,344)	(2,973,180)	(3,651,460)	(3,041,363)	(1,653,492)	(1,679,882)	(1,790,892)	(1,996,705)	(6,746,068)	(5,308,659)
Total other financing sources (uses)	10,708,235	9,671,755	10,760,117	12,354,761	15,648,433	14,545,691	14,233,733	14,324,017	14,067,039	13,732,218
Net change in fund balances	\$ 436,706	\$ (1,646,110)	\$ (1,279,870)	\$ 1,767,918	\$ 951,345	\$ (144,859)	\$ (3,404,473)	\$ (2,045,965)	\$ (2,763,753)	\$ (3,877,004)
Debt service as a percentage of noncapital expenditures	8.35%	7.33%	8.26%	6.16%	13.65%	4.69%	5.24%	5.64%	6.92%	7.15%

CITY OF LAGRANGE, GEORGIA
 GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
 LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Property Tax	Local Option Sales Tax		Franchise Tax	Motor Fuel Tax	Alcoholic Beverage Tax	Hotel/Motel Tax	Total
		Local Option Sales Tax	Special Purpose Local Option Sales Tax					
2011	\$ -	\$ 4,871,868	\$ 2,985,768	\$ 1,099,653	\$ -	\$ 725,737	\$ 517,277	\$ 10,200,303
2012	-	5,067,756	3,117,039	1,082,666	-	725,536	644,444	10,637,441
2013	-	4,950,107	3,074,143	1,057,342	-	723,504	785,900	10,590,996
2014	-	4,795,388	3,020,767	1,090,820	-	732,169	733,326	10,372,470
2015	-	5,021,093	3,147,315	1,204,116	-	713,873	893,124	10,979,521
2016	-	4,769,502	2,987,372	1,110,440	-	713,178	916,803	10,497,295
2017	-	4,968,287	3,205,545	1,083,001	-	718,706	993,808	10,969,347
2018	-	5,230,046	3,359,689	1,073,386	-	717,267	1,122,254	11,502,642
2019	-	5,750,141	4,194,143	1,130,709	-	760,968	3,526,384	15,362,345
2020	-	5,349,061	4,622,567	1,144,431	-	720,255	2,634,225	14,470,539



LAGRANGE
GEORGIA

CITY OF LAGRANGE, GEORGIA
UTILITY DEPARTMENT - OPERATING AND FINANCIAL RATIO ANALYSIS
LAST TEN FISCAL YEARS

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
WATER & SEWER FUND:										
FINANCIAL RATIOS:										
Water & sewer profit margin (%)	21.0	17.0	13.0	13.0	15.0	14.0	14.0	12.0	14.0	14.0
Return on total assets (%)	5.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0
Return on equity (%)	6.0	4.0	3.0	3.0	3.0	3.0	4.0	3.0	4.0	4.0
Liabilities/Assets (%)	11.0	6.0	5.0	11.0	20.0	22.0	22.0	22.0	22.0	23.0
Current ratio (x)	1.2	9.6	12.5	5.1	8.4	9.8	9.0	9.4	7.3	6.4
Receivables avg. days outstanding	43.5	44.5	46.9	42.9	43.6	45.1	42.9	47.6	45.4	38.6
Equity transfer (% of Income)	(3.0)	4.0	64.0	85.0	109.0	157.0	145.0	179.0	136.0	131.0
Equity transfer (% of Revenue)	(1.0)	1.0	8.0	11.0	16.0	22.0	22.0	23.0	21.0	20.0
Net Equity Transfers Out (\$)	(125)	125	1,185	1,760	2,555	3,585	3,600	3,600	3,605	3,605
Cash and investments(\$)	2,133	4,446	6,600	9,354	11,035	11,557	12,611	11,737	13,144	15,001
Capital investment to depreciation ratio (x)	1.0	0.2	0.5	1.9	2.7	0.8	0.2	0.5	0.3	0.2
Total capitalization (\$)	73,403	76,200	76,699	80,607	86,571	86,217	85,039	81,422	79,647	77,951
Working Capital (\$)	1,097	6,435	8,523	9,669	12,040	12,941	14,030	13,668	14,443	15,879

OPERATING INFORMATION:

Water KGAL sales	2,187,078	2,076,421	1,913,509	1,890,621	1,923,966	1,918,290	2,016,881	1,897,839	1,942,207	1,961,636
Sewer KGAL sales	1,144,552	1,088,359	1,073,267	1,103,925	1,105,869	1,093,066	1,103,998	1,091,718	1,127,385	1,094,075
Revenues \$/KGAL sold	4.81	5.01	4.97	5.15	5.16	5.37	5.34	5.35	5.53	5.83
Total operating expense \$/KGAL	3.47	3.80	4.23	4.24	3.71	3.69	3.57	3.70	4.15	3.97
Distribution expenses \$/Kgal sold	2.85	3.21	3.32	3.39	3.30	3.40	3.32	3.44	3.52	3.79
Installed Water meters	19,544	19,584	19,607	19,660	19,733	19,783	19,892	19,920	19,991	20,008
Water distribution employees	17	17	17	17	17	17	17	17	16	16
Water production employees	13	13	13	13	13	13	13	13	13	13
Meters/distribution employee	1,150	1,152	1,153	1,156	1,161	1,164	1,170	1,172	1,249	1,251
Meters/production employee	1,503	1,506	1,508	1,512	1,518	1,522	1,530	1,532	1,538	1,539
KGAL/distribution employee	128,652	122,142	112,559	111,213	113,174	112,841	118,640	111,638	121,388	122,602
KGAL/production employee	168,237	159,725	147,193	145,432	147,997	147,561	155,145	145,988	149,401	150,895

UTILITY FUND:

FINANCIAL RATIOS:

Gas profit margin (%)	16.0	16.0	17.0	13.0	24.0	19.0	13.0	22.0	20.0	31.0
Electric profit margin (%)	26.0	19.0	17.0	14.0	17.0	17.0	13.0	16.0	13.0	14.0
Telecom profit margin (%)	14.0	14.0	15.0	9.0	33.0	1.0	6.0	10.0	7.0	(1.0)
Return on total assets (%)	19.0	15.0	14.0	13.0	18.0	14.0	12.0	15.0	15.0	16.0
Return on equity (%)	33.0	26.0	22.0	21.0	28.0	20.0	16.0	21.0	20.0	20.0
Liabilities/Assets (%)	46.0	45.0	43.0	42.0	39.0	35.0	32.0	30.0	27.0	26.0
Current ratio (x)	4.2	3.8	3.6	4.0	4.4	4.8	4.3	4.5	5.1	4.8
Receivables avg. days outstanding	49.9	53.1	49.2	42.0	41.0	43.7	46.2	50.5	49.0	44.8

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Equity transfer (% of Income)	63.0	112.0	96.0	98.0	75.0	77.0	102.0	81.0	82.0	82.0
Equity fund transfer (% of Revenue)	15.0	22.0	16.0	14.0	15.0	13.0	14.0	14.0	13.0	15.0
Net Equity Transfers Out (\$)	10,763	14,277	10,496	10,533	10,900	8,600	9,081	9,400	9,330	9,865
Cash & Investments (\$)	16,504	18,853	20,942	24,982	27,618	30,967	26,642	27,512	28,248	31,569
Capital investment versus depreciation (x)	0.5	0.4	1.0	0.3	0.5	0.4	0.7	0.4	0.4	0.3
Capitalization (\$)	66,172	63,749	63,722	62,757	63,706	64,297	63,423	62,996	63,816	64,608
Working Capital (\$)	24,186	22,705	22,831	26,199	29,083	31,505	27,747	29,578	34,414	34,075
OPERATING INFORMATION:										
Electric MWH purchases ^	532,868	515,529	525,329	535,331	547,324	548,879	543,805	539,512	551,359	533,710
Electric MWH sales	511,050	492,216	505,156	514,629	532,395	535,192	531,624	526,357	539,896	530,999
Electric \$/MWH sold	98.07	100.23	97.81	103.13	102.66	94.27	91.10	94.98	95.57	89.92
Electric total operating expense \$/MWH sold	72.63	80.85	81.55	88.44	84.90	78.29	79.21	80.13	83.61	77.62
Electric purchases expense \$/MWH sold	67.68	74.46	74.16	79.54	76.51	71.08	72.06	70.70	73.77	68.37
Electric distribution expense \$/MWH sold	4.02	5.38	6.37	7.81	7.29	6.11	6.01	8.08	8.40	7.79
Installed electric meters	13,499	13,581	13,561	13,582	13,583	13,594	13,612	13,609	13,561	13,616
Electric distribution employees	12	12	12	12	12	12	12	12	17	16
Electric right-of-way employees	5	5	5	5	5	6	6	6	7	7
Meters/employee	1,125	1,132	1,130	1,132	1,132	1,133	1,134	1,134	848	851
MWHs/employee	42,588	41,018	42,096	42,886	44,366	44,599	44,302	43,863	33,744	33,187
Gas Dth purchases ^	2,259,628	2,045,060	2,157,212	2,157,212	2,281,697	2,072,075	1,934,894	2,103,741	2,189,843	2,043,810
Gas Dth sales	2,211,191	1,957,928	2,145,567	2,145,567	2,215,146	2,037,322	1,914,494	2,088,221	2,160,022	2,085,646
Gas revenue \$/Dth sold	7.45	6.81	6.81	8.00	7.59	5.60	6.11	6.38	6.80	5.94
Gas operating expense \$/Dth sold	6.27	5.72	5.63	6.94	5.76	4.56	5.34	4.99	5.41	4.12
Gas purchases expense \$/Dth sold	4.76	4.05	3.92	5.36	4.45	3.27	3.96	3.76	4.12	2.73
Gas divisional operating expenses \$/Dth sold	0.69	0.77	0.70	0.85	0.60	0.54	0.61	0.54	0.64	0.73
Installed Gas meters	9,497	9,444	9,460	9,460	9,500	9,496	9,526	9,521	9,165	9,120
Gas employees	11	10	10	8	8	8	8	8	8	8
Meters/employee	863	944	946	1,183	1,188	1,187	1,191	1,190	1,146	1,140
Dth/employee	201,017	195,793	214,557	268,196	276,893	254,665	239,312	261,028	270,003	260,706
Boring Crew	6	6	6	2	2	2	2	2	3	3
Customer Service Reps	7,090	7,102	7,105	7,117	7,136	7,146	7,172	5,381	4,746	4,749
Meters/CSR	9	9	9	9	9	9	9	9	9	9
Utility Service Workers	25,473	26,759	26,188	22,337	20,816	19,649	18,719	19,048	17,302	16,164
Service Orders Completed	4,727	4,734	4,736	4,745	4,757	4,764	4,781	4,783	4,746	4,749
Meters/Service Worker	2,830	2,973	2,910	2,482	2,313	2,183	2,080	2,116	1,922	1,796
Orders per USW	10,638	14,402	11,681	12,293	13,455	12,185	12,681	13,000	12,935	13,470
Total equity transfers out	12.0	18.0	14.0	14.0	15.0	15.0	16.0	16.0	15.0	16.0
Total equity transfer (% of Revenue)										

Data Source: City Utility Department
^ Electric and gas energy purchases are reported on a cash rather than accrual basis.

CITY OF LAGRANGE, GEORGIA
 PRINCIPAL WATER CUSTOMERS
 CURRENT YEAR AND NINE YEARS AGO

Customer	2020			2011		
	Customer Charges	Rank	Percentage of Total Customer Charges	Customer Charges	Rank	Percentage of Total Customer Charges
Milliken & Co.	\$ 590,427	1	3.17%	\$ 893,570	1	4.90%
City of Greenville	344,394	2	1.85%	245,042	3	1.40%
City of Hogansville	176,966	3	0.95%	172,994	4	1.00%
Troup County Commissioners	173,448	4	0.93%	271,011	2	1.50%
Great Wolf Lodge	169,814	5	0.91%			
Kimberly Clark	112,471	6	0.60%	119,833	6	0.70%
Troup Co. School System	110,668	7	0.59%	105,713	7	0.60%
West Georgia Health Systems	95,816	8	0.51%	167,212	5	0.90%
Jindal Films America	92,619	9	0.50%			
Mountville Mills, Inc.	82,315	10	0.44%	76,001	10	0.40%
LaGrange College				99,506	8	0.60%
Lee's Crossing Apartments				89,516	9	0.50%
	<u>\$ 1,948,938</u>		<u>10.45%</u>	<u>\$ 2,240,398</u>		<u>12.50%</u>

Data Source: City Utility Department

CITY OF LAGRANGE, GEORGIA
 PRINCIPAL NATURAL GAS CUSTOMERS
 CURRENT YEAR AND NINE YEARS AGO

Customer	2020			2011		
	Customer Charges	Rank	Percentage of Total Customer Charges	Customer Charges	Rank	Percentage of Total Customer Charges
Milliken & Co.	\$ 2,037,683	1	16.01%	\$ 3,440,873	1	20.90%
KIA Motor Corporation	1,732,357	2	13.61%	2,739,529	2	16.70%
Jindal Films America	555,212	3	4.36%			
Mountville Mills, Inc.	547,406	4	4.30%	545,026	5	3.30%
Great Wolf Lodge	355,770	5	2.79%			
CW Matthews Contracting Co, Inc.	335,661	6	2.64%	283,958	9	1.70%
Interface Flooring Systems	250,103	7	1.96%	468,448	6	2.90%
West Georgia Health Systems	247,653	8	1.95%	398,819	7	2.40%
Kimberly Clark	240,219	9	1.89%	738,066	3	4.50%
Troup Co. School System	165,811	10	1.30%	219,244	10	1.30%
Exxon Mobil				604,533	4	3.70%
Custom Organics				343,119	8	2.10%
	<u>\$ 6,467,875</u>		<u>50.81%</u>	<u>\$ 9,781,615</u>		<u>59.50%</u>

Data Source: City Utility Department

CITY OF LAGRANGE, GEORGIA
 PRINCIPAL ELECTRIC CUSTOMERS
 CURRENT YEAR AND NINE YEARS AGO

Customer	2020			2011		
	Customer Charges	Rank	Percentage of Total Customer Charges	Customer Charges	Rank	Percentage of Total Customer Charges
Jindal Films America	\$ 3,832,649	1	7.82%			
Duracell USA	2,652,419	2	5.41%	\$ 2,304,591	2	4.60%
Sewon America, Inc.	1,701,980	3	3.47%	991,830	8	2.00%
West Georgia Health Systems	1,356,248	4	2.77%	1,721,503	4	3.40%
Wal-Mart	1,334,365	5	2.72%	1,448,258	5	2.90%
Interface Flooring Systems	1,228,555	6	2.51%	1,435,924	6	2.90%
Troup Co. School System	1,195,408	7	2.44%	1,237,293	7	2.50%
SAFA	1,028,409	8	2.10%	938,783	9	1.90%
LaGrange College	847,671	9	1.73%	818,041	10	1.60%
Seoyon Interior System	696,002	10	1.42%			
Exxon Mobil				3,612,446	1	7.20%
City of LaGrange				1,802,649	3	3.60%
	<u>\$ 15,873,706</u>		<u>32.39%</u>	<u>\$ 16,311,318</u>		<u>32.60%</u>

Data Source: City Utility Department

CITY OF LAGRANGE, GEORGIA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income**	Per Capita**
	Intergovernmental Agreements	Capital Leases	Notes Payable	Revenue Bonds	Intergovernmental Agreements	Capital Leases	Notes Payable				
2011	\$ 5,892,500	\$ 2,336,116	\$ 2,405,000	\$ 14,375,000	\$ 4,275,000	\$ 2,399,862	\$ 4,166,600	\$ 35,850,078	7.13%	\$ 1,195	
2012	5,647,500	1,787,282	2,155,000	10,130,701	4,080,000	2,565,141	3,988,148	30,353,772	6.02%	1,012	
2013	5,442,500	1,029,258	1,875,000	9,735,000	3,875,000	2,837,662	3,804,272	28,598,692	5.66%	953	
2014	5,140,000	920,304	1,565,000	8,985,000	3,660,000	2,754,936	7,553,825	30,579,065	6.03%	1,019	
2015	4,932,500	576,055	1,225,000	8,215,000	3,435,000	2,874,729	18,296,132	39,554,416	7.80%	1,318	
2016	4,570,000	3,055,771	855,000	7,415,000	3,195,000	2,597,314	20,123,755	41,811,840	8.25%	1,394	
2017	21,120,000	3,182,971	445,000	6,590,000	2,940,000	1,650,608	19,176,976	55,105,555	10.87%	1,837	
2018	20,737,500	2,966,873	-	5,740,000	2,670,000	1,536,276	18,211,640	51,862,289	10.23%	1,700	
2019	20,005,000	2,536,609	-	4,860,000	2,385,000	887,486	17,227,306	47,901,401	9.45%	1,581	
2020	19,247,500	2,330,993	-	3,950,000	2,090,000	530,024	16,223,544	44,372,061	8.75%	1,464	

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

** See Demographic and Economic Statistics on page 122 for personal income and population data.

CITY OF LAGRANGE, GEORGIA
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF JUNE 30, 2020

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable *	Estimated Share of Overlapping Debt
Overlapping debt:			
Troup County, Georgia	\$ 11,348,259	45%	\$ 5,106,717
Troup County Board of Public Education	28,000,000	45%	12,600,000
Subtotal, overlapping debt			17,706,717
Direct debt:			
City of LaGrange, Georgia governmental activities			21,578,493
Subtotal, direct debt			21,578,493
Total direct and overlapping debt			\$ 39,285,210

Data Sources: Debt outstanding data provided by the County and the Board of Education.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of LaGrange, Georgia. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

* The percentage of overlapping debt applicable is estimated using population. Applicable percentages were estimated by dividing the City's population by the total County population.

CITY OF LAGRANGE, GEORGIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$107,048,174	\$103,939,639	\$103,123,860	\$104,653,160	\$104,177,955	\$111,425,800	\$112,451,537	\$115,964,793	\$115,660,640	\$119,164,061
Total net debt applicable to limit	\$107,048,174	\$103,939,639	\$103,123,860	\$104,653,160	\$104,177,955	\$111,425,800	\$112,451,537	\$115,964,793	\$115,660,640	\$119,164,061
Total net debt margin	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year		2020
Net assessed value		\$ 1,037,985,874
Add Back: Exempt real property		153,654,736
Total assessed value		<u>\$ 1,191,640,610</u>
Debt limit (10% of total assessed value)		\$ 119,164,061
Debt applicable to limit:		
General obligation bonds		-
Less: Amount set aside for repayment of general obligation debt		-
Total net debt applicable to limit		<u>-</u>
Legal debt margin		<u>\$ 119,164,061</u>

Note: Under state law the City of LaGrange's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

CITY OF LAGRANGE, GEORGIA
 PLEDGED-REVENUE COVERAGE
 WATER AND SEWER DEBT
 LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Net Revenue Available for Debt Service			Debt Service Requirements			Revenue Bond Coverage ***
	Total Revenue *	Operating Expenses **	Net Revenue Available for Debt Service	Principal	Interest	Total	
2011	\$ 16,519,380	\$ 8,987,982	\$ 7,531,398	\$ 4,610,000	\$ 281,585	\$ 4,891,585	1.54
2012	16,383,600	9,613,720	6,769,880	3,595,000	89,875	3,684,875	1.84

* Operating and non-operating revenue available for debt service.

** Operating expenses other than interest on debt, depreciation and amortization.

*** Revenue bond coverage is equal to net revenue available for debt service divided by total principal and interest required to be paid during that year.

Note: Details regarding the government's outstanding debt can be found in the Notes to the Financial Statements.

Note: The Water and Sewer Bonds were paid off in fiscal year ended June 30, 2012.

CITY OF LAGRANGE, GEORGIA
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Total Population *	Personal Income *	Per Capita Income *	Median Age *	Education Level in Years of Formal Schooling	City / County Consolidated School Enrollment **	Unemployment Rate ***
2011	30,000	\$ 502,500,000	\$ 16,750	33.0	N/A	12,730	12.8%
2012	30,000	504,520,000	16,817	33.0	N/A	12,727	12.2%
2013	30,000	504,900,000	16,830	33.0	N/A	12,755	10.0%
2014	30,000	506,900,000	16,897	33.0	N/A	12,667	9.5%
2015	30,000	506,900,000	16,897	33.0	N/A	12,506	6.3%
2016	30,000	506,900,000	16,897	33.0	N/A	12,386	5.2%
2017	30,000	506,900,000	16,897	33.0	N/A	12,204	4.9%
2018	30,500	506,900,000	16,620	33.0	N/A	12,100	3.9%
2019	30,300	506,900,000	16,730	33.0	N/A	12,066	3.6%
2020	30,300	506,900,000	16,730	33.0	N/A	12,184	9.1%

N/A = Not Available

Data Sources:

* 2010 U.S. Census: other years - LaGrange Planning Office.

** Board of Education

*** Troup County Department of Labor (latest completed calendar year, City of LaGrange)

CITY OF LAGRANGE, GEORGIA
 PRINCIPAL EMPLOYERS BY NUMBER OF EMPLOYEES
 CURRENT YEAR AND TEN YEARS AGO

Employer	Type of Business	2020			2011		
		Employees	Rank	Percentage	Employees	Rank	Percentage
Troup County School System	Education	1,939	1	21.40%	1,959	2	17.30%
West Georgia Health Systems	Medical Services	1,300	2	14.35%	1,272	3	11.20%
Wal-Mart Distribution Center	Warehousing	1,175	3	12.97%	960	6	8.50%
Mountville Mills, Inc.	Carpet	965	4	10.65%			
Milliken & Co.	Textiles	794	5	8.76%	1,130	5	10.00%
Interface Flooring Systems	Floor coverings	717	6	7.91%	1,181	4	10.40%
Sewon America, Inc.	Car Manufacturing Supplier	670	7	7.39%	800	7	7.00%
Troup County Board of Commissioners	Government	552	8	6.09%	460	9	4.00%
American Home Shield	Call Center	499	9	5.51%			
Duracell	Batteries	450	10	4.97%	428	10	3.80%
KIA Motors	Car Manufacturing				2,500	1	22.10%
Intercall, Inc.	Web Conferencing				644	8	5.70%

Data Source: LaGrange - Troup Chamber of Commerce

CITY OF LAGRANGE, GEORGIA
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS

Function	Fiscal Year Ended June 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
General government	16	16	16	16	16	16	16	13	13	13
Public safety:										
Police	96	95	95	95	99	105	105	105	106	108
Fire	58	58	57	57	57	57	57	64	64	65
Animal control	3	4	4	4	4	4	4	4	4	4
Court services	3	3	3	3	3	3	3	3	3	3
Probation services	5	5	5	5	5	5	5	5	5	5
Public service:										
Landscaping & cemeteries	8	8	8	8	8	8	9	18	18	18
Highways & streets	18	17	17	17	17	17	17	17	16	17
Traffic control	3	3	3	3	3	3	3	3	3	2
Trash and refuse	8	8	8	8	8	8	8	8	8	8
Recycling	*	*	*	*	3	3	3	5	5	5
Engineering	2	2	2	2	2	2	2	2	2	2
Community development:										
Life & building safety	0	0	0	0	0	0	0	0	0	0
Housing & inspections	1	1	1	0	0	0	0	0	0	0
Economic development	1	1	1	1	1	1	1	1	1	1
Community and economic development	7	7	7	8	8	8	8	9	8	9
Other governmental services:										
Vehicle maintenance	16	16	16	16	16	16	17	17	15	12
Local governmental television	2	2	2	2	2	2	2	2	2	2
Total governmental activities	247	246	245	245	252	258	260	276	273	274
Business-type activities:										
Water & sewerage	64	64	64	64	63	63	63	63	63	63
Electric	17	17	17	17	17	17	17	18	23	23
Gas	10	10	10	10	8	8	8	8	8	8
Telecommunications	6	6	5	6	8	8	8	8	8	8
Sanitation	32	32	32	32	31	31	31	31	33	15
Business-type activities support services	27	27	27	27	29	29	29	32	32	33
Total business-type activities	156	156	155	156	156	156	156	160	167	150
Grand total	403	402	400	401	408	414	416	436	440	424

Data Source: City Finance Office

* Information not available

CITY OF LAGRANGE, GEORGIA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year Ended June 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police:										
Physical arrests	4,769	5,451	6,111	5,780	5,431	4,519	4,018	4,175	3,323	2,929
Parking violations	215	185	424	298	255	255	391	611	288	108
Traffic violations	15,163	17,491	20,060	14,488	13,363	12,625	12,955	15,095	14,809	8,029
Fire:										
Number of calls answered	3,724	4,223	4,723	4,477	4,705	4,634	4,607	4,722	5,040	5,470
Inspections	3,242	2,925	2,715	2,715	2,289	2,479	2,451	1,986	2,598	2,236
Health and welfare:										
Animal control (captured animals-City)	1,370	1,448	1,446	1,331	1,209	1,163	1,132	1,394	1,568	1,202
Highways and streets:										
Street resurfacing (miles)	17	12	23	3	2	2	5	2	6	4
Potholes repaired	150	89	57	71	53	74	58	72	13	63
Water and sewerage:										
New water connections	166	57	7	36	105	111	144	162	129	164
New sewage connections	11	120	22	31	22	28	29	17	59	74
Average daily consumption (thousands of gallons)	5,992	5,688	5,242	5,179	5,271	5,288	5,526	5,200	5,321	5,384
Average daily sewage treatment (thousands of gallons)	4,710	4,550	4,370	4,940	4,270	5,120	4,900	3,750	3,750	6,480
Gas:										
Breaks on gas main	13	14	1	2	5	6	-	-	1	4
Solid waste:										
Refuse collected (tons/day)	392	412	412	419	442	442	442	442	50	58
Recyclables collected (tons/day)	9	11	11	13	15	15	15	15	20	15

Data Sources: Various City Departments
Note: Indicators not available for the general government function

CITY OF LAGRANGE, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year Ended June 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	83	86	82	77	89	86	89	93	98	97
Fire stations	5	5	5	5	5	5	5	5	5	6
Fire engines	10	10	10	10	10	11	11	9	9	9
Health and welfare:										
Animal control:										
Animal pounds	1	1	1	1	1	1	1	1	1	1
Culture and recreation:										
Cemeteries	6	6	6	6	6	6	6	11	11	11
Parks acreage	207	207	207	207	207	207	207	207	211	211
Parks	14	14	14	14	14	14	14	14	15	15
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	3	3	3	3	3	3	3	3	3	3
Community centers	2	2	2	2	2	2	2	2	2	2
Highways and streets:										
Streets (miles)	207	207	207	207	207	209	209	214	218	222
Streetlights (additions)	155	25	25	25	52	209	50	72	84	48
Traffic signals (City owned)	9	9	8	8	8	8	8	8	8	8
Water and sewerage:										
Water mains (miles)	432	434	435	442	446	448	449	445	449	453
Fire hydrants	2,030	2,040	2,060	1,919	1,919	1,929	1,939	1,930	1,971	2,011
Maximum daily water capacity	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000
(thousands of gallons)										
Sanitary sewers (miles)	215	215	215	215	215	215	215	215	216	217
Storm sewers (miles)	57	57	57	57	57	57	57	57	57	61
Maximum daily sewer treatment capacity	12,500	12,500	12,500	12,500	12,500	12,500	12,500	10,000	10,000	12,500
(thousands of gallons)										
Gas:										
Gas lines (miles)	309	326	326	327	327	339	343	337	337	341
Number of distribution stations	13	13	14	17	18	19	19	19	18	14
Sanitation:										
Collection trucks	38	41	41	42	44	44	44	44	18	14

Data Sources: Various City Department
Note: No capital asset statistics are available for the general government function.



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